

2:04 p.m.

Wednesday, November 27, 1991

[Deputy Chairman: Mr. Jonson]

MR. DEPUTY CHAIRMAN: Good afternoon, lady and gentlemen, members of the committee, and goodbye to our students that were just visiting us. This afternoon the committee will be continuing with debate of the recommendations. I would draw committee members' attention to draft 7, which all committee members should have. This reflects the revisions that were made yesterday by way of amendment and in some cases technical changes in terms of the wording or grammatical correctness.

We had concluded our debate on recommendations 1 and 2 and will now proceed to recommendation 3. The Member for Lacombe.

3. Mr. Moore recommended that consideration be given to developing a plan to return to the Alberta Heritage Savings Trust Fund a significant portion of the funds currently invested in Vencap Equities Ltd.

MR. MOORE: Thanks, Mr. Chairman. It's very well self-explanatory.

Now, I think we all agree with the concept that Vencap Equities was set up under. It was an excellent concept to provide that venture capital out there and assist enterprising businesspeople in Alberta to get the funding they need to get their businesses off the ground and rolling. It has worked out. They set up a very qualified board consisting of proven businesspeople, and they have operated that fund very prudently, in fact a little too prudently. I feel that the amount of money we have in the fund should be put to work in Alberta's business world to a far greater degree than sitting in a bank account waiting while they review other proposals. I think we've given them sufficient time to review this. Rather than have funds sit there in a bank account, I feel that if there's any surplus not being used by Vencap, we should have a plan where it comes back into the heritage trust fund and is taken out in other projects where we have a lot of demand for assistance.

So I think such a plan should be in place. It's a message to the citizens of Alberta that we want all these funds utilized to the fullest degree. It's also a message to the board at Vencap that they should look at their mandate and see that they utilize that money to the fullest extent of the mandate.

MR. DEPUTY CHAIRMAN: Thank you.

Before proceeding, I would like to welcome the students that have just joined us. You're viewing the deliberations of the Heritage Savings Trust Fund Committee, which is a legislative committee. Currently we're debating various recommendations which, if they are passed, would be directed on to the government for action. I hope your stay in the Legislature is enjoyable. You'll have a chance for a few minutes at least to view the operations of this committee.

Further speakers. The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'll just make my comments brief. There's a similar recommendation further on and ones by the hon. Member for Ponoka-Rimbey and myself that are somewhat similar to that moved by this member. I would like to say that after pushing for this for some time, I'm pleased to see that other members of the committee are taking a similar stance and putting forward similar recommendations. I concur with the recommendation here that the Alberta government try and get back the loan that's been made to Vencap. I think that

when you look at the amount of money that has been loaned, in the order of \$200 million and, I think, a return this year of something like \$700,000 on that amount, the trust fund is not receiving the kind of revenue it ought to and this arrangement ought to be reconsidered.

Thank you.

MR. DEPUTY CHAIRMAN: Further speakers?

Does the Member for Lacombe wish to conclude debate?

MR. MOORE: No further comments, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Before moving on, by way of a technical matter I'll just indicate that it's the sponsor's prerogative, I suppose, but it is not necessary to read each recommendation into the record.

Moving on, then, to recommendation 4, the Member for Lacombe.

4. Mr. Moore recommended that in future years the fund's interest revenue remain in the Alberta Heritage Savings Trust Fund to sufficiently offset expenditures in the capital projects division.

MR. MOORE: This motion today, Mr. Chairman, relates to the financial integrity of the fund. Every one of us, all Albertans, are concerned about that financial integrity: that we don't allow the fund to be drained off or weakened and that we maintain the financial worth of it. This motion is directed towards that area, that in future in the capital projects division we leave sufficient interest revenues to offset those expenditures and therefore maintain a financial worth in there that would not be there if we took all that revenue out. It's just a motion to bring financial stability there so we aren't losing valuable funds.

MR. DEPUTY CHAIRMAN: Further speakers on the recommendation? The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Well, I think the time has come to reconsider what the role of the capital projects division really should be. When the fund was set up, it was established at a time when there was lots of money pouring into the province and into the fund itself in the form of nonrenewable resource revenue as well as interest revenue. It probably seemed at the time that it was another way Albertans could be convinced or shown that the trust fund was working on their behalf. In reality the capital projects division and the deemed assets of the fund are just spending of government revenues in another name. That's really what the capital projects division has always been, and perhaps at one point in the life of the fund it was appropriate or could be justified. But since there has been no revenue coming into the fund over the last several years from nonrenewable resource revenue, and given that all the interest and other revenue and earnings of the fund have gone to the General Revenue Fund of the province, I really think one has to question the role of the capital projects division as remaining in the fund. The fund has changed, the circumstances the province has found itself in have changed in recent years, and I just think that to maintain spending in the capital projects division is really no longer appropriate.

Now, there are many worthy expenditures in the capital projects division, and I don't question that, but it seems to me that they should be done as part of the overall investment strategy, spending strategy, Capital Fund strategy for the province of Alberta. That's

where this funding should go. Therefore, to establish a concept that continues to anticipate the expenditures in the capital projects division in my mind is not the strategy to pursue. I think the funding of the various projects currently in the capital projects division, if it's justified and if it's in the public interest to continue those investments, is fine. I have no objection to that, but I just believe that should be done as part of the General Revenue Fund or the Capital Fund expenditures of the province and done in the context of the overall expenditure plan for the government.

Thank you.

2:14

MR. DEPUTY CHAIRMAN: Further speakers? Thank you.

Moving on, then, to recommendation 5, the Member for Calgary-Fish Creek.

5. Mr. Payne recommended that the underlying principles and structure of the Alberta Heritage Savings Trust Fund be comprehensively reviewed by a task force comprising government and opposition MLAs and government officials, assisted by academic and investment community leaders with relevant expertise and experience, and that their review procedures provide for public discussion.

MR. PAYNE: Mr. Chairman, recommendation 5 addresses two questions. First, is it time to review the underlying principles and structure of the Alberta Heritage Savings Trust Fund? If so, who should conduct such a review? Obviously, the implication of recommendation 5 is that the principles and structure of the heritage fund should in fact be reviewed. Now, this is not to suggest that there are necessarily any flaws or defects or inadequacies in the fund's principles and structure, but I would suggest that after 15 years in operation any fund or any institution or organization runs the very real risk of protecting the status quo and resisting change no matter how potentially productive. That's a risk that's capsulized in the phrase, "If it ain't broke, why fix it?" or worse, "That's the way we've always done it." In my view, such a review is timely if not in fact overdue.

I recognize that the question of who should do such a review is probably even more contentious than the question of a review itself. Recommendation 5, standing in my name, acknowledges the potential contribution of elected and government officials as well as the potential contribution of academic and investment community leaders with relevant expertise and experience. It seems to me, Mr. Chairman, that such a committee could draw on both the policy and administrative experience of the elected and government officials on the one hand and draw on the broader experience, the potentially creative insights that would be brought to bear by new minds, both academic and investment community minds, that perhaps heretofore had not been addressed to the heritage fund's principles and structure. It seems to me that such a mix holds out the possibilities of on the one hand assuring ourselves that the principles and the structure of the fund are correct, even though they are now a decade and a half old, or on the other hand bringing to the attention of this committee and the investment committee of the fund some new ways and new principles that could very well guide the heritage fund in the troubled economic times ahead.

I think also, Mr. Chairman, it would be appropriate for me to make mention of the final phrase in my recommendation: that the review procedures of such a committee "provide for public discussion." We have learned from Meech Lake and other government initiatives both federal and provincial that there is a pronounced and growing need, and demand in fact, by our

constituents to be more involved in the process. So obviously it's the intent of this recommendation, assuming that this committee agrees there should be such a review, that such a review is timely, that it be conducted by the committee membership as I've summarized it in my recommendation, and that their procedures at one point or another provide for widespread citizen input.

In past years, Mr. Chairman, I've not been successful in persuading the committee to pass such a recommendation. Through a slow learning curve on which I find myself, I have made some adjustments that I think would make this recommendation more acceptable to the membership of this committee as a whole. I would certainly urge both my government colleagues and my opposition friends to support this very worthwhile recommendation.

MR. DEPUTY CHAIRMAN: Further speakers? The Member for Edmonton-Beverly.

MR. EWASIUK: Mr. Chairman, I want to basically comment and support the motion by the Member for Calgary-Fish Creek. When the Premier was before us, I basically raised some similar concerns. While the fund certainly has served its purpose on behalf of the citizens in the province of Alberta – in fact, one can argue that it's working well; why tinker with it? – on the other hand I think it's important to do internal reviews of the procedures as to how this fund is functioning.

I understand, of course, that several members of this committee did go to Alaska this past summer and reviewed that fund, how it operates in that state. I think there were some revealing areas that we should look at that might very well be applicable to how our fund functions.

As I mentioned to the Premier, while changes are necessary, I think the area of particular concern to me and members of the Official Opposition is the close ties the fund seems to have with the ruling government. It's from that point of view that I would certainly feel a review is necessary. I think it should be removed, at least some arm's-length posture so that there is a fair amount of independence and the decisions made relative to the fund are made not with political implications but for the best interests of the population and the citizens of the province of Alberta. So I support the intent that is being presented before us in this motion.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Meadowlark, followed by Three Hills.

MR. MITCHELL: Mr. Chairman, I, too, support this motion. I support it for the reasons that were given by the Member for Calgary-Fish Creek, who is the proponent and mover of the motion. I support it for one other reason. I believe the people of Alberta have by and large lost confidence in the management of the Heritage Savings Trust Fund, that they do not believe its assets are what this government construes them to be, that they do not accept that the heritage trust fund has in any way achieved the objectives that were set for it in the mid-1970s, and that if we are to restore their confidence in this fund or if we are to find out what measures it would take to restore their confidence in this fund, then we must consult them.

The Member for Calgary-Fish Creek is exactly right. There is a need to consult people. The important feature of consultation, of course, is listening to them and to their ideas. At this time there is very little avenue, if any at all, for public input to this process. The heritage trust fund is debated almost in a minimal fashion under the rules of the Legislature. We have very little time. In fact, all we can debate is the Capital Fund, not the

management of the fund or what's gone on in the past or what we should be doing or how we should reassess what we've done in the past. We are limited in this committee as to what questions we can ask of witnesses we invite to the committee. We can't ask things that have gone on in the past. We can't ask them about things that we might otherwise do with the fund. In fact, every time we try to do that, we are cut off by the chairman. So there is really no vehicle, one, for public input and, two, for assessing what might be done in the future with the fund and what might have been done better in the past with the fund. It is therefore obvious and necessary that we accept the motion by the Member for Calgary-Fish Creek.

I close by asking the question: why would this government be afraid of a review? Why would they be afraid of opinions and input on what might otherwise be done with this fund? One can only assume, if they are not prepared to support this motion, that they are a weary, tired, and frightened government. Therefore, a vote against this motion would by and large confirm what we and many of the people of Alberta have come to conclude about the nature, the stature, and the demise of this government.

MR. DEPUTY CHAIRMAN: The Member for Three Hills, followed by Calgary-Foothills.

2:24

MRS. OSTERMAN: Mr. Chairman, I'm pleased that there are some positive comments in relation to the motion the hon. Member for Calgary-Fish Creek has put before us. I would only say that I believe it is unfortunate that to some degree the stature of the committee suffers when there is a negative challenge thrown out to the committee members. I don't think I find it a mature way of debating the motion that is put before us, because it is a very serious motion and to suggest that there are other reasons why it may or may not be supported I don't think adds to the stature of this committee at all.

Mr. Chairman, I am not an advocate of change for change's sake, but I think all of us realize that there is concern about the viability of the fund given its value today, at least that area of the fund that is bearing revenue that is now supporting what I think many of us understood would be rainy-day times. I think we can picture the former Provincial Treasurer with his umbrella saying, "It's raining, therefore the fund and its purpose in supporting us through those times will now be tapped; at least the earnings will be tapped."

Government structures, Mr. Chairman, are challenged all over the world. I believe our structure will be no different. The structure of government and how it relates to the people and the people back to it will be no different in terms of the challenges that face us. I think that also is true for our fiscal organization, and the heritage fund is a major part of that fiscal structure of government. So it goes without saying that something that has survived for that many years, as the hon. Member for Calgary-Fish Creek has noted, and served us very well is like other structures in today's society. It is timely for a review to see how it fits in the future of this province. With the citizens today, 15 years later, with all the new voters there must be given our incredible increase in population, I think those young people in particular have a right to speak to the fund.

One other area. I hope it will go without saying that in this review would also be encompassed what the role, if changed, would be for this committee. I think that is very important. Whether they be negative comments or not, some comments made by the hon. Member for Edmonton-Meadowlark are appropriate in terms of just how much the committee is able to glean and what

role we have in a real way, not just a recommendation role, of affecting how the fund operates. I believe that as well is very important. It may well be a benefit in that the committee could have a stronger mandate in the future and therefore a more ongoing contribution by the public through the committee.

With that, Mr. Chairman, I certainly would like to support this motion. Thank you.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman.

I, too, would like to lend support to the motion presented by the Member for Calgary-Fish Creek. I think it's time that the fund and the principles and structures that are behind the fund be reviewed by not only this Legislature but the public at large. I do think I wanted to say that the fund has in fact maintained its objectives as are laid out in the report, and they have in fact provided for the ongoing quality of life we experience in Alberta and have helped strengthen and diversify this economy and have provided for a future.

Last week I had the privilege of handing out \$191,000 in Rutherford scholarships to high school students that were not only delighted to receive the scholarships for furthering their education but were surprised to realize the dollar value of the scholarships that have been handed out to date. So I think the fund definitely has provided for the future and helping our young people secure that future.

I think a review process is appropriate at this time, as we're going towards a new turn of the century and things have changed. I'm a little surprised that there's support for this motion from the Liberal caucus, as only two evenings ago I saw on television a panel with their Liberal leader, who didn't want to review the fund at all. In fact, he wanted to just cash it out immediately. I'm delighted to see that there is some discussion within the Liberal caucus to be a little more flexible, not just throwing this fund away. So I'm pleased to see that Edmonton-Meadowlark is in agreement with the government caucus and our government Member for Calgary-Fish Creek.

Thank you.

MR. MITCHELL: I just want to set the record straight. It is not inconsistent at all that we as Liberals should be presenting the idea that the fund assets should be sold to pay off debt and at the same time ask the people of Alberta to participate with this kind of review. The fact is, Mr. Chairman, that is exactly what the people of Alberta will tell this committee, and we feel it's important that committee members should become aware of what the people of Alberta are thinking about this plan. We have consulted and we're quite aware that that's very likely what people will say, but then again we're not in a position where we have to defend this plan, this heritage trust fund, as this government seems to feel it must do.

MR. DEPUTY CHAIRMAN: Further speakers to conclude? Does the mover of the recommendation wish to conclude?

I'm sorry. Calgary-Mountain View.

MR. HAWKESWORTH: Just one comment before the member closes debate. The circumstances in Alberta now are significantly different than when the fund was set up. The financial circumstances of the government are substantially different than when the fund was set up; rather than running large surpluses, they are now running large deficits. Accordingly, I think it's appropriate that the role of the fund be re-examined and be done as much as

possible involving the public. So I would concur with the recommendation before us.

I also believe it's many years behind, that this review ought to have taken place some time ago, but I'm always one to believe that it's better late than never. I would hope that if it's adopted by the committee, it's one this government would move expeditiously to implement.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Fish Creek, to conclude.

MR. PAYNE: Notwithstanding the somewhat partisan remarks that have transpired in the past few minutes, it would appear there's a growing consensus for this resolution, and I'm reluctant to say anything to detract from this possible consensus. So I will conclude on that note, Mr. Chairman.

2:34

MR. DEPUTY CHAIRMAN: Thank you.
Moving on, then, to recommendation 6.

[Mr. Payne in the Chair]

MR. ACTING DEPUTY CHAIRMAN: The Member for Ponoka-Rimbey, speaking to recommendation 6.

6. Mr. Jonson recommended that consideration be given to periodically scheduling meetings of the Standing Committee on the Alberta Heritage Savings Trust Fund Act at suitable locations throughout the province.

MR. JONSON: Thank you, Mr. Chairman. The recommendation refers to one aspect of what I think is the need to fulfill an objective, and that is to build a greater understanding and appreciation of the fund as well as of the operations of this committee. I'd start out by also indicating that although it has been discussed previously at this committee's meetings, it's been some time since the manner in which we publicize and develop links with the public regarding the operations of the fund has been reviewed.

I'd note, Mr. Chairman, that in the recommendation it says "that consideration be given." Certainly it's a recommendation that has to be weighed.

I was impressed in our visit to Alaska this summer that they seem to have developed in the state of Alaska quite a good understanding and appreciation of their Alaska fund. No doubt, Mr. Chairman, that is partially inspired by the fact that they pay an annual dividend to all the citizens of Alaska. That, of course, has by its very nature an incentive to watch over and be aware of and attend meetings that are related to their particular fund. Nevertheless, the fact that they do hold meetings in various parts of the state to make discussion more accessible to the public, in terms of whether it's viewing or actually attending these meetings, is something that seems to have gone rather well.

I recognize that the recommendation is related in a sense to number 5, because if perchance recommendation 5 were to pass, it might affect the need for or the timing of such meetings throughout the province on the part of this particular committee. Nevertheless, I think there is need for consideration of the weighing of the merits of this particular recommendation. I also recognize, Mr. Chairman, that in the course of this matter being considered, the cost of holding meetings in other parts of the province would have to be weighed as one of the factors bearing upon the eventual outcome of this recommendation being passed and put into effect.

I conclude my remarks, Mr. Chairman, by saying that I think moving the meetings of this committee out to other locations of the province would have as part of the result a better understanding on the part of the public in terms of the positive aspects of this fund, in the way it's been operated and the benefit it has had for the province of Alberta, and certainly the challenges facing the government in operating this fund also would be revealed. There would be certain criticisms and so forth, but that would be, I think, an overall healthy result of more exposure to the operations of this committee and through the committee to the actual operations and nature of the Alberta Heritage Savings Trust Fund and the major role it's had in this province over the last number of years.

MR. ACTING DEPUTY CHAIRMAN: Thank you.

Any other speakers on recommendation 6? Calgary-Mountain View.

MR. HAWKESWORTH: I guess I would ask the member, Mr. Chairman, if he could expand a bit on this idea. For example, we have our hearings here in the Legislature and the Provincial Treasurer comes to meet with us for two hours, we question him, and he disappears. The next two-hour time period we hear from a different minister or the Auditor General or whatever. Would those meetings that we have here as part of our annual review of the trust fund simply be conducted in another venue in another community? For example, would we, say, meet at McDougall school in Calgary and go through the same process with the Provincial Treasurer or the Auditor General or whatever minister? Is that what's anticipated as part of these meetings? Or would it be more along the lines of hearing from the public, allowing them to step forward and make presentations? Depending on what the agenda might be for those meetings outside Edmonton, I think it changes the nature or the texture or the concept that's being put forward here. I'm not sure that simply exporting what we do in the Legislature to another community is what the member is getting at, but I could be misunderstanding what's envisioned here. So I ask that question, and perhaps that could be expanded upon somewhat.

MR. ACTING DEPUTY CHAIRMAN: The Member for Lacombe.

MR. MOORE: Well, Mr. Chairman, I support this motion for this reason. We meet here in this Legislature - traditionally, we meet here - and all I say to every one of us is to look up at the press gallery, look up at the public gallery, and look at all the attention we have. It's tremendous. It's overwhelming. We won't even get a word in the paper tomorrow morning in the Edmonton press because of the apathy around the Legislature. If it isn't something derogatory or scandalous against the government, they don't print it, and that is a fact of life around this building.

But you take the heritage trust fund, like any other committee, and you go into - I don't know what suitable locations it would be, but I think it would be major centres like Grande Prairie in the north, Red Deer in the central area, Calgary, and Lethbridge. I think those would be typical places we'd go to. If you go into any of those centres with a government committee, the press is there. It's there, and there's a write-up in the paper. They say what's going on, and they give a factual covering of it. The fact that we have traditionally been and continue to be in this vacuum here, we do not get to the people of Alberta with what we're doing. I think this is an excellent idea, to go out there and give us the exposure to the public. Those people know that we're coming out to them with their fund. We're debating it in front of them where they can

come and see, and they will come and see. With those kinds of hearings down in Lethbridge or Grande Prairie or Red Deer, you would have a full gallery around you and you would have the press there.

I think this is an excellent idea, to break out of the shell that we've been operating in here. We have *Hansard*, and we all mail out copies of *Hansard*. The press don't even come. They go get *Hansard* the next week and see if there's anything they can dig out of it. But we don't see anything in the paper, and it would be great exposure and a good communication link between this committee and the public that we serve.

MR. ACTING DEPUTY CHAIRMAN: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I, too, support this idea. I believe that the public in areas around the province would be very interested, and the Member for Lacombe is correct in his emphasis of that point. I think we would attract some attention, and people would be, as I say, interested in finding out what it is that this committee debates and perhaps finding out a little bit about the substance of our processes. I believe beyond that, however, little would be accomplished unless we change the format of this committee. In a sense, to take it out to an area outside Edmonton and only have the public sit and watch is to deny the imperative of the political process today, which is that we as politicians should listen to that input. Therefore, the process becomes somewhat patronizing and not as sincere as it might be if we included on the agenda of these meetings the chance for the public to have input to us as a committee. It might, in effect, contribute to what the chairman's own motion 5 is attempting to achieve.

But to simply take this committee from Edmonton, from here, to go somewhere else in the province to put on a show so people can see and people can hear and yet not have the opportunity to have input and to offer us their suggestions and their ideas isn't enough. It is a good idea, as general as it is in this motion. If we are to do it properly, we should require that the Treasurer or whichever other minister meet the committee wherever it is that we would choose to have them meet us in this province and offer the public in those areas the opportunity to have input to us as well, preferably after our meeting with the minister so they could indicate how they feel about the responsiveness of that minister or the Premier, for example. We could have his hearing in Stettler perhaps.

So I would support the motion, but I believe that to make it truly significant, this initiative must include a component whereby people, individuals, in this province can have input to us.

2:44

MR. ACTING DEPUTY CHAIRMAN: The Member for Three Hills.

MRS. OSTERMAN: Thank you, Mr. Chairman. I think there have been some very positive comments made about this motion. I, too, would support it, although I think it's fair to say that those of us who are speaking to it all have a little different sense of what it is that would occur when we went out across Alberta and held our meetings. I've been a part of that kind of scenario in another life, where I would say, for the benefit of the hon. Member for Edmonton-Meadowlark, the public was very pleased to watch the process that was undertaken on their behalf. I think it is a natural follow-up to have comment about that process, but first there is great interest as to how the committee would operate,

what our parameters are in terms of questioning and feedback from the various ministers and the Premier. Then, on that basis, the committee and its travels and its method of operation I suppose would eventually evolve.

But before that occurred, in terms of any major evolution, I would hope we would be able to move and put into action the previous motion that would give us the bigger picture. I don't think you can just take one component of a methodology or a method of feedback from the public and say this is it. I think there are a number of motions put before us, Mr. Chairman, that speak to the kinds of things that, in total, need to occur for the public to be able to make educated comment on the fund and the operation of the committee. I would like to see us, at least in a small way, venture with the committee in its present format and at the same time, obviously, be watching carefully the comments that are made if number 5 is undertaken.

MR. ACTING DEPUTY CHAIRMAN: Does any other member of the committee wish to pursue it?

Calgary-Mountain View.

MR. HAWKESWORTH: Again, Mr. Chairman, I think the member could perhaps expand a bit on his thoughts as he closes debate. But if we were to go to Grande Prairie, just to pick up a suggestion made by a previous speaker, and we were to meet with, say, the minister of Occupational Health and Safety . . . If we've gone all the way to Grande Prairie, with all the travel costs, accommodation costs, the hoopla and so on that presumably would go along with a committee such as this meeting outside Edmonton, and we meet with the minister of Occupational Health and Safety research to talk about a million dollar item - I don't think that was really expended last year - I don't think that's really going to do it.

If it means traveling to five or six communities around the province to each time meet with the Provincial Treasurer, now that's starting to make a lot of sense, because with a fund of this size I think the fact that we have only two hours with the Provincial Treasurer each and every year to talk about the trust fund is totally and wholly inadequate. If this idea would give us another four or five or six opportunities to spend some time questioning the Provincial Treasurer in depth about the operation, management, and investment strategy of the trust fund, that puts a whole new texture and tenor on the nature of what we're doing here, and I would welcome it wholeheartedly. I'd like to have the Minister of Technology, Research and Telecommunications tell people, when the media is there and the public is there, why it is that members of the Legislature can't get the annual audited financial statements of a publicly-owned company now almost 18 months after the fact. I think that's something that the public has a right to know. Why is that not happening? If taking this committee out of this building into rural Alberta and to the other cities of the province would accomplish getting some more information out of the ministers of this government, boy, I'm all for it.

MR. ACTING DEPUTY CHAIRMAN: The Member for Calgary-Foothills.

MRS. BLACK: Well, thank you, Mr. Chairman. I think recommendation 6 ties in very nicely with recommendation 5, quite frankly. The public have the right to know what is in this fund and what is not in this fund when there has been, as the Member for Lacombe rightly pointed out, less than responsible reporting of this fund within our media, which is unfortunate. Until I was elected myself, I really questioned what was in the fund, and I'm

grateful I've been on the committee to see what's happened with the fund.

I do think, as we said on number 5, there's time for review, and I think part of that review process fits nicely with number 6 in a public exposure to the fund. One of the things you find when you're in a public hearing process is the benefit you as a member going throughout the province receive in new ideas and new thoughts. So far in the two public hearing process committees I have been on in this province, I can honestly say there hasn't been a meeting when we haven't learned something new or come up with a new idea. So I think it's important that if we look at rethinking the structure and the principles, we also rethink the way we present the fund and make the people who are the owners of the fund aware of what's happening within it. So I would be most in favour of this as a part of or a follow-up to recommendation 5 as a way of getting the public involved with what's happening with their fund, and not so much from the standpoint of necessarily holding our structured meetings outside. I have no problem with that. They're in a public forum in this building and the public is most welcome to participate in the audience in this building, as they would be anywhere else.

So I would support this recommendation. I think it would be most beneficial for not only this committee, who have been given the trust of the Legislature to make recommendations for this fund, but also for the people we represent to have a better idea of what is happening with the fund. I would support it.

MRS. OSTERMAN: Mr. Chairman, there is one point I forgot to make, and I was reminded of it by listening to one of the other member's comments about the potential cost of taking the committee out. Members of this committee are obviously coming to one point in this province in any event, but for those of us who represent constituencies that go farther and farther away from Edmonton . . . Certainly my constituency is not an undue distance away, but a good number of the constituencies in this province are very far from Edmonton, probably meaning that in some cases citizens of this province would have to take more than one day to come to Edmonton if they wanted to watch the proceedings of the committee and find out how the various components of the fund are spoken to. That is not my view of democracy. I believe that citizens should have reasonable access to their legislators. I don't find that the system we presently have gives them that access. I think it behooves us to make a reasonable effort — as the motion, if it was implemented, I believe would do — to allow that kind of citizen input, albeit it may be informal for the first go-round in that I'm not sure we would be having full-blown sorts of public hearings, if that's what I hear some of the members saying.

Mr. Chairman, I hope all members of this committee would agree that Albertans should not be kept distant from their government and an understanding of government operations by the fact that a committee refuses to move outside Edmonton to meet.

2:54

MR. ACTING DEPUTY CHAIRMAN: Did the Member for Ponoka-Rimbey wish to conclude debate?

MR. JONSON: Yes, Mr. Chairman, I would like, in view of the debate thus far, to just conclude with two or three comments. First of all, Mr. Chairman, in preparing the recommendation, I did consider the merits of putting into the recommendation a list of the things that the committee would do at these meetings in other parts of the province, but that then would preclude the ideas that people may have on what would be the best format for these meetings later on, should the recommendation pass. So I chose to make the

recommendation quite brief, and if it does gain the acceptance of the committee, then there would be, hopefully, the opportunity down the road to work on the best format.

Secondly, I wanted to indicate that yes, I would see consideration being given to public involvement in an active sort of way, not just the passive listening role that they might be placed into. I also think there would be merit in also viewing the actual formal deliberations of the committee, and as I said, I could have put in a list of my other ideas on this particular topic.

Thirdly, Mr. Chairman, it is my understanding of the Alaska experience that they hold their committee meetings in formal session where the public involvement is one of viewing and learning about the operations of the committee, but then they also have in a more informal setting the opportunity for questioning and interchange and so on with the public in the area they're visiting. So there are those things provided for.

Mr. Chairman, I'd just like to make one other reference to an experience that this committee has had, and that is that in our investigative tours I know that periodically provision has been made to meet with people in the area on an informal basis. I've personally found that quite worth while, and that might be another factor to be considered if this recommendation is passed and acted upon.

MR. ACTING DEPUTY CHAIRMAN: Recommendation 7, the Member for Ponoka-Rimbey.

7. Mr. Jonson recommended that the procedures and materials used in conveying information on the fund to the public be reviewed and that consideration be given to developing an explanatory guidebook and instructive materials in order to better inform the public.

MR. JONSON: Thank you, Mr. Chairman. The reason for this particular recommendation is similar to that for recommendation 6. Once again it's my understanding that it's been some time since the materials that convey the messages and the information from this committee have been reviewed as to their format and their readability and acceptability and so forth as far as the receiving public is concerned. I'll just mention the Alaska fund one more time. Although it has been referred to in these committee meetings before, once again it was something that was sort of brought home to us, that there are different ways of preparing and distributing and utilizing the printed material as well as audiovisual material and so forth. I think it is worth supporting a review of what we are using and doing now with a view to hopefully coming up with some better ideas with regard to our publicity program for the Heritage Savings Trust Fund and its operations.

[Mr. Ady in the Chair]

MR. CHAIRMAN: Are there other speakers on recommendation 7?

Mr. Payne, Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, I wondered if the sponsoring member, the Member for Ponoka-Rimbey, would be prepared to make an estimate as to the cost implications. You see, I'm not sure what's anticipated by the phrase "instructive materials." If that's a 20-minute video for schoolchildren to watch with a teacher's kit, that could be a half-million dollar item. I just need a feel for the associated production and distribution costs. At some point in the future deliberations of this committee, we will be called upon to vote for or against this recommendation. I

would think that if all members of the committee are to make an informed judgment and an informed vote, if you will, the range of anticipated production costs, it seems to me, would be a very useful piece of information.

Thank you, Mr. Chairman.

MR. CHAIRMAN: I'll recognize the Member for Wainwright first, and then perhaps if there are no other speakers, we'll go back to Ponoka-Rimbey.

MR. FISCHER: Thank you, Mr. Chairman. I would just like to support the mover of this motion in the fact that I really believe that as our people are owners of this fund - every person in Alberta is a part owner of this fund - they should have a guidebook of knowing what's in it. As was discussed in the last motion, we need to make people more aware of the fund, its value, its uses, and how it's being handled. I can't help but think that maybe a mail-out would be an excellent way to do it, or maybe we could even in some way have some instruction programs that could move around helping to explain it. But certainly it is an awareness problem. It would be in everybody's best interests to have people more knowledgeable about this fund.

Thank you.

MR. CHAIRMAN: Okay.

Just prior to recognizing the next speaker, if I could just take a moment and recognize the people in the gallery, who are the hospital board from my constituency in the town of Cardston. I appreciate them being in Edmonton and dropping in for a moment. They are witnessing the annual meetings of the Alberta Heritage Savings Trust Fund, and we're presently debating the recommendations that have been put forward by committee members. If they'd like to stand, we'll give them the welcome of the committee.

The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. When I look at the motion, I certainly think the intent is something you can't argue with. If it is the desire through this motion to have information about the fund circulated more widely in printed material and so on, certainly you can't quarrel with that. I think, like in motion 6, there are some implications that tie back to motion 5 where an overall review of the fund is suggested. I would assume that if that were being done - and it may well be done - this kind of motion would be taken into consideration. I agree. I think we have perhaps reneged on our responsibility in publicizing the impact, the effects of the fund, to the people generally, and this might well be sort of an inexpensive method to do that, although I'm sure there'd be some criticism in any event. Nevertheless, I do think this motion, like 6, does have ties into 5 in that when a total review is conducted, these kinds of things would be considered.

3:04

MR. CHAIRMAN: Thank you. Are there other speakers on this recommendation? If not, I'll recognize the Member for Ponoka-Rimbey to close debate.

MR. JONSON: Thank you, Mr. Chairman. Just two items. First of all, in response to the comments of the Member for Calgary-Fish Creek, I do not have any precise estimates as to what it would cost, and I think you would have to look at such a review as having two general possibilities. One is that this recommendation does not, in my view, mean we will do a great deal more, that

we will deck on top of what we're doing right now other things. It could very well be that we replace the large number of annual reports that we produce with the necessary number of annual reports and perhaps a different format for publicizing to the general public the overall operation of the fund in a perhaps a more direct, more instructive way, so I don't think we should assume that it has to be a greatly increased additional cost. Secondly, I think that if after review there are some proposals that may very well have some costs but show promise as to improving the understanding of the fund in more broadly based and innovative and effective ways, then yes, we would have to consider the fact that that is going to cost money. We can't look away from that fact of life.

Mr. Chairman, just to underline this, I think it's been some time since our approach to fulfilling this task has been reviewed, and I think it would be well worth undertaking.

MR. CHAIRMAN: Thank you. That concludes debate on recommendation 7.

The Chair recognizes the Member for Athabasca-Lac La Biche, Mr. Cardinal, with recommendation 8.

8. Mr. Cardinal recommended that a continuation be sought to the municipal recreation/tourism areas grant program to extend the funding for two more years beginning April 1992, utilizing the existing guidelines and policies.

MR. CARDINAL: Thank you very much, Mr. Chairman. Recommendations 8 and 9 are generally interconnected, but first of all I'd like to address recommendation 8. These three recommendations, of course, are part of the overall economic diversification plan for Alberta. As you're aware, we have over \$23 billion worth of economic initiatives either under way or planned for Alberta at this time. I know tourism and parks, not only for economic purposes but also for recreation purposes and preservation, will play a key role in the economic plan.

Since the inception of the municipal recreation/tourism areas grant program in 1986 and '87, it has assisted jointly with communities, mainly community driven, the development and upgrading of outdoor recreation facilities. The 1990-91 fiscal year alone saw the development of 52 new projects and 32 additional sites completed for a total of around \$2 million. To date since the inception of the program as of March 31, 1991, \$13 million has been expended on the program and has, I think, played a key role in, again, tourism promotion and preservation of valuable sites across rural Alberta.

With that, Mr. Chairman, I would recommend support for that particular recommendation.

MR. CHAIRMAN: Are there other speakers on recommendation 8? If not, we'll recognize the Member for Athabasca-Lac La Biche to introduce recommendation 9.

9. Mr. Cardinal recommended that funding be provided from the Alberta Heritage Savings Trust Fund to the Department of Forestry, Lands and Wildlife and the Department of Municipal Affairs for the development of a 10-year master plan for detailed land use of all Crown lands bordering our lakes, rivers, and primary and secondary roads in Alberta.

MR. CARDINAL: Thank you very much. As I indicated earlier, these three recommendations, 8, 9, and 10, are interconnected. Recommendation 9, again, is part of the overall economic action plan for rural Alberta. In this particular case possibly this

recommendation may affect more of the northern half of the province. It seems that in the past we had some good intentions to do planning of our lands bordering lakes in Alberta, both private and Crown land. We have had the integrated resource plans in place, where intensive planning had been done jointly with municipalities and community groups, and a lot of those plans are in place and working well, but we still don't have a detailed plan. The plans that are in place now are too general, to me. I feel we need a detailed land use plan of all the Crown lands bordering all our lakes in northern Alberta, and what I'm recommending with recommendation 9 is to do a 10-year master plan, a detailed land use plan of all Crown lands bordering our lakes, rivers, and primary and secondary roads in Alberta.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. Again I think the intent of the motion here is a good one. However, I really have some difficulty rationalizing to myself why it is that we should be using heritage trust fund finances to develop the master plan that's being discussed in this motion. Obviously, I agree it needs to be done. It should be done, but it would seem to me that the onus is really with the departments involved. It is the function of those departments to carry out this type of planning, and really I think this is just dipping into the fund totally unnecessarily. So while I agree with the intent, I just couldn't support the fact that we should be going into the fund for these kinds of projects.

MR. CHAIRMAN: Thank you.

The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. In addition to the concern or the view that the money for such a project or such an undertaking should come from general revenue and be part of the general departmental operations with respect to this recommendation, I have two other concerns, and perhaps the Member for Athabasca-Lac La Biche could respond. My first concern would be that the word "detailed" bothers me somewhat in that it seems to be the general view that in the planning process there should be some prerogative, some flexibility left to local governments, be they an improvement district or a county or a municipal district, and that this would seem to be intended to provide for a rather restrictive and exacting type of plan. The other concern I have is that considerable time and effort and money have been spent on behalf of the public of the province on integrated resource plans in various regions, and I believe that those are either being worked upon or are in place in the northern part of the province. I wonder if this does not already fulfill all or in part what would be accomplished through putting into effect this particular recommendation.

MR. CHAIRMAN: Are there are others wishing to speak on recommendation 9?

Does the Member for Athabasca-Lac La Biche want to close debate?

3:14

MR. CARDINAL: Yeah, I'd just like to make a couple of comments on some of the concerns brought forward. The example of the integrated resource plans: these are a valuable tool; they've done a good job in generally outlining land use on a regional but not specific basis, and they do work well. Again, the concern was brought forward of the involvement of local governments, such as

improvement districts and other municipal councils and community interest groups, in the actual development of a plan as to how the lands adjacent to lakes would be used, specifically Crown lands in this particular case. What we tend to do at this time is allow overdevelopment of some of our land adjacent to lakes in Alberta, and I find it is not necessary. I find what we need is a little bit of foresight and planning, and plan these lakes accordingly, because what we tend to do now is allow too much development and we go back later to try and clean up the mess. I think we can prevent this by planning each lake specifically on a long-term basis as to how the lake should be developed, what type of development should take place on that lake, when it should be developed, and who should participate in the development. Not only would you protect and plan these lakes, you would also possibly encourage a form of economic development for some other lakes that are underdeveloped presently.

In closing, I feel there would be no better use of dollars from the heritage fund than to do the economic planning and preservation of our valuable land bordering these lakes and rivers and primary highways in Alberta.

With that, I thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.

I recognize the Member for Athabasca-Lac La Biche for recommendation 10.

10. Mr. Cardinal recommended that funding be provided from the Alberta Heritage Savings Trust Fund to the Department of Recreation and Parks for the development of a park network for the north in order to further diversify the economy and allow a process of co-ordinated development with other users.

MR. CARDINAL: Yes, Mr. Chairman. Again, of course, it's part of the overall plan for protection and promotion and encouragement of further diversification in rural Alberta. An example of what I'm asking for here is the forestry development, the agricultural development, and the oil and gas development. Like I said earlier, basically those three recommendations, 8, 9, and 10, are interconnected. It's an overall plan of making sure when we do promote our economy in, as an example, the forestry sector, that consideration be given that we do as much development in the parks area: preservation and promotion.

With that, Mr. Chairman, I seek the support of the committee.

MR. CHAIRMAN: Are there other members?

The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. This motion sort of takes us back to when the former member for the constituency of Athabasca-Lac La Biche was in the House, because this seems like some of the things that he promoted quite extensively during his tenure here. I think that at that time he talked about something we call the Kananaskis of the north, a method of diversifying the economy in the northern part of our province and also providing for the recreational facilities that are lacking in northern Alberta.

As in recommendation 9, Mr. Chairman, I don't disagree with the intent in the presentation by the member. However, again it seems to me that the actual function of this kind of development rests with the Department of Recreation and Parks and that the intrusion into the Heritage Savings Trust Fund may well not be appropriate. However, when you examine the kind of funding that went into the original Kananaskis and the money that the Heritage Savings Trust Fund spent there, perhaps I could be convinced that some moneys from this fund can be and should be utilized for the

development of some park networks in northern Alberta. So I think I will look at this one at some time and see whether, in fact, it's valuable to be supported or not.

MR. CHAIRMAN: The Member for Lacombe.

MR. MOORE: I think the motion has good intent, but when you look at it, the Department of Recreation and Parks, using general revenue funds, should be involved in a long-range plan for park development. I know they have a long-range plan for park development right across this province, which includes further parks in the north. This will accelerate as that area develops, and it's going to develop very fast with the Al-Pac operation and some of the other operations we have in the north bringing in a bigger volume of people. You will see these parks coming normally through that parks department. We have to give more emphasis to that area because of the number of people there. Therefore, I think we should be looking to Recreation and Parks to take the lead there.

MR. CHAIRMAN: Thank you.

Does the Member for Athabasca-Lac La Biche wish to close debate?

MR. CARDINAL: Yeah, just briefly, Mr. Chairman. Again I would encourage support on this very important issue, because projects of this nature play a key role in the balanced and managed development of our resources in Alberta. I believe using dollars from the Heritage Savings Trust Fund would be the ideal route to take in the preservation and development of a major parks system for the northern half of our province.

So with that, Mr. Chairman, in closing, I seek support from the committee members.

MR. CHAIRMAN: Thank you.

The Member for Athabasca-Lac La Biche to introduce recommendation 11.

11. Mr. Cardinal recommended that funding be provided from the Alberta Heritage Savings Trust Fund to the northern development branch for a bursary program for northern Albertans with a target of a minimum of 30 percent native content in that program.

MR. CARDINAL: Mr. Chairman, this again is a straightforward recommendation. We do have a number of bursary programs presently in place, but the majority of the programs are for the second and third years of postsecondary education, and the bigger problem we're having in the northern half of the province is getting people from grade 12 to postsecondary education. I hope a bursary program would target on the first and second years of postsecondary education rather than the third and fourth years. This is part of the recommendation.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. While I certainly understand the need the hon. member is endeavouring to respond to with this particular recommendation, I have some difficulty in supporting the recommendation for the following reasons. First of all, the Heritage Savings Trust Fund scholarship foundation is currently having its mandate and direction reviewed, and I think this particular recommendation could actually go in the form of a brief or recommendation to the person heading up that particular review

to see if this might be included within the foundation's current program or new directions for the future. Perhaps it might also include a recommendation that the allocation from the heritage fund to the foundation be increased so this type of program could be accommodated.

The other concern I have, Mr. Chairman, is that there are other avenues through which this particular objective might be accomplished which might be more appropriate. For instance, the Northern Alberta Development Council has a budget. I believe it already has a modest program related to this particular recommendation. Certainly that council's mandate is one of dealing with particular needs and issues regarding development in the north, and it might be more appropriately directed there.

So although I understand the underlying situation which gives rise to this recommendation - I appreciate it quite well - I think there are more appropriate ways to convey the recommendation and try to see that it's acted upon.

3:24

MR. CHAIRMAN: Thank you.

The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I guess I have a number of questions I'd like the member to address on this. A scholarship fund has already been set up with a permanent endowment, which means that as far as we can see into the future, there will be a Heritage Scholarship Fund providing various supports to students in Alberta. Now, this motion doesn't talk about a new endowment or a different endowment; it talks about a bursary program. So I'm just wondering: is this for five years, 10 years? Is it a permanent, ongoing program or short term, limited term, or whatever? Because if it's going to be something permanent, I would think endowment would be better than bursary. I would then ask the question: why is the scholarship fund not the more appropriate place to direct this recommendation as opposed to establishing a new program? I appreciate perhaps the limitations or shortcomings of the current scholarship fund, but should that drive setting up an entirely new program or an entirely new endowment? I'm just wondering if the member would take a few minutes to expand on the idea somewhat, because there are lots of unanswered questions here about some of the details behind the recommendation.

MR. CHAIRMAN: Are there other speakers? If not, we'll recognize the Member for Athabasca-Lac La Biche to close debate.

MR. CARDINAL: Thank you very much. A couple of concerns were brought forward here, and I'd like address whatever I can of those concerns. One is the Northern Alberta Development Council's bursary program that was mentioned. What I found with that is that the majority of bursaries through there are third and fourth year. The bigger problem we're having is getting a lot of our northern students to enter postsecondary education for the first and second year. It seems that once people hit first and second, third and fourth are the easier ones, which can be attained through student loans. That is why the recommendation was made, to possibly look at either a new program or somehow changing the existing system.

I feel that the program itself, of course, would have to be a five- to 10-year program, again possibly administered through a system through the Alberta Northern Development Council. What we're finding right now is that there are a lot of different systems out there, but we're still not getting as many of our northerners to

postsecondary education as we should. We have just too many dropouts. I'm always looking at innovative ways of getting more to participate in further education. This is just one recommendation I've brought forward, and I will continue to do so in the future with many others.

With that, I'd like to thank you again. I seek the committee's support on this recommendation.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Calgary-Foothills, recommendation 12.

12. Mrs. Black recommended that the supporting schedules of the Alberta Heritage Savings Trust Fund annual report be amended by providing a schedule of deemed assets showing a comparison of book value and current market value. In situations where a definitive market value is not apparent, as in the case of a foundation and/or endowment, the current value of the foundation and/or endowment would be reflected in the schedules within the report.

MRS. BLACK: Thank you very much, Mr. Chairman. The recommendation I've put forward here would expand the supporting schedules of the audited financial statements by referring to schedule 6, the deemed assets, and inserting an additional column which would compare the book value to the current market value for the deemed assets. I also note in my recommendation that where a definitive market value is not apparent, as in . . . a foundation and/or endowment, the current value of the foundation and/or endowment would be reflected in the schedules within the report.

I think this is important so that the public and the members of this committee have an idea as to the current value of the deemed assets. There's been a lot of debate over deemed assets, and this type of comparison would give committee members a better idea as to what the value of the deemed assets really is in today's market.

I'd like to use an example. One of the deemed assets, the Alberta Heritage Scholarship Fund, has a book value of a hundred million dollars. It was set up as an endowment and has been there for over 10 years. I believe it was set up in 1981. That fund has paid out in scholarships to our young people I believe over \$90 million to date, yet the endowment has a current value of well over a hundred million dollars. I think when we look at the fund and see only a hundred million dollar book value showing and compare it to other assets within the fund which show a current market value, it is difficult for us to assess what is happening in today's marketplace and with today's investments as to how these endowment and foundation funds are performing.

The other one that I think becomes obvious is the Heritage Foundation for Medical Research. Again, \$300 million was put into the foundation in the form of an endowment, and that fund today is worth in excess of \$500 million. I think a current schedule showing the value should be reflected within this report. Something that is more tangible by nature would be the parks, such as Fish Creek park in Calgary. I believe it's 3,200 acres of prime real estate land, and we reflect in the report \$27 million for the land value. Well, I would think that in today's marketplace 3,200 acres of prime real estate land in a very well-developed area of Calgary in Fish Creek would be worth substantially more than \$27 million. I think that comparison should be reflected within the schedules of the report to give us a better idea as to the value of these properties and these investments.

In a lot of accounting terms we continually hear about consistency of accounting, yet when we look at our other schedules

within the fund, in the commercial investment division on schedule 4, the market value is reflected as a comparison with book value. If we go to schedule 1, cash and marketable securities, again the market value is reflected as a comparison with book value. So I don't think this is an unrealistic request, and I think it would clarify the value of the deemed assets. Certainly some of them may be overvalued, and that should be reflected also as to the current market value.

Thank you.

MR. CHAIRMAN: Thank you.

Are there others wishing to speak to recommendation 12? The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. With some of these entities and assets, what the hon. member is saying makes sense just in terms of information, but when you think of the market value, we really don't buy and sell parks. I mean, once you've got a park, the idea is that it's sort of land removed from the market for all time for the enjoyment of people in its natural state or somewhat in its natural state. So the idea that there's a market value for a park is a difficult concept for me to get my head around. I know we've built hospitals – the Mackenzie Health Sciences Centre is another one – but we really don't buy and sell hospitals, so it's hard to determine a market value for something for which there's no market. I do agree that when you look at some endowment funds, clearly there are investments there. The market values of those investments are identified in the annual report for those funds themselves, but the market values are not identified in the schedules of the Heritage Savings Trust Fund. I see no reason why that couldn't be identified where it's appropriate and possible.

3:34

The Vencap loan is another one under deemed assets for which I think there is some market value. Perhaps the rail hopper cars could be sold to someone. I mean, that's an asset that perhaps there is a market for. I don't think you can sell the outlet for Lesser Slave Lake, as an example. So when you take a look at, I think, something like 36 different entities that are identified under the capital projects division, some of them are appropriate and some are not. I just don't think it's possible to do it for all those entities. I would think, as I look at it, there's probably about half a dozen, perhaps a few more than that, where it would be appropriate. To that extent, why not? Sure, let's do it. I have no objection. The more information we can provide people about the state of the fund and the assets the better. I just don't think a lot of these assets or a lot of these entities lend themselves to a market evaluation. In those cases, I don't think it's possible.

Thank you.

MR. CHAIRMAN: Thank you. Any others wishing to speak to that recommendation? If not, does the Member for Calgary-Foothills wish to close debate?

MRS. BLACK: Thank you, Mr. Chairman. Just a couple of comments in response to Calgary-Mountain View. I think it is important to provide as much information as possible and to be consistent within the reporting of the schedules. These are schedules supporting the financial statements, and as such, schedules should have additional information. A lot of times when you look at the deemed assets – and he used the rail hopper cars that are valued at \$53 million. There must be a current value for those rail hopper cars in today's marketplace. I know we're still

using the cars and there is not an intent to divest ourselves of those cars, but I think it's important that we reflect what the value is. I think we have also said today that our parks and our park projects are something we intend to hold on to and therefore they're not up for sale or there isn't necessarily a market. That doesn't necessarily mean the value isn't there and shouldn't be reflected in the schedule, because we don't know what the next generation's mind-set will be, whether they will make the decision to hold on to those parks and park lands as a legacy for the next generation after them. They may decide to in fact sell those parks off. Certainly a value should be reflected as to what they are.

So I think a schedule is basically an information-bearing document for the financial statements. As we have more information on the schedules, certainly I think our decision-making process is only enriched and enhanced by that information being readily available. That's what my recommendation is, to provide the additional information.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Calgary-Foothills to introduce recommendation 13.

13. Mrs. Black recommended

- (a) that the Provincial Treasurer undertake to provide the Standing Committee on the Alberta Heritage Savings Trust Fund Act with the annual report of the trust fund five working days prior to the commencement of the committee hearings, and
- (b) that the appropriate ministers give consideration to providing all annual reports of companies and entities whose association is directly related to the fund five working days prior to the appearance of the minister responsible for the company or entity. In the situation where the annual report is not yet available, the appropriate minister should give consideration to providing the committee with an interim financial report five working days prior to the appearance of the minister responsible for the company or entity.

MRS. BLACK: Thank you, Mr. Chairman. Recommendation 13 requests that the standing committee receive from the Provincial Treasurer the annual report of the trust fund five working days prior to commencement of committee hearings. The second part of the recommendation is that the appropriate ministers give consideration to providing annual reports for companies and entities associated with the fund five working days prior to the appearance of the appropriate minister responsible for the company and/or entity. I think again that it's important for the workings of the committee that we have the information before us so we can assess the documents and be ready to make recommendations. It's difficult to receive a report on the same day the hearings start when you haven't had time to assess the financial statements of the fund. I think it's imperative that we receive the report five working days before so we can analyze the fund and compare with our colleagues on the committee questions that need to come forward from this committee to various ministers that appear before us.

I think it's also important, when we look at various ministers that come before us, that if there is an entity or company associated directly or indirectly with the fund, wherever possible their financial statement or a summary of their latest financial statement should come forward so we have the opportunity to share with the minister questions that pertain to that entity and/or company. I find it very difficult to receive a report an hour before or even a

day before a minister appears before this committee and go through and make an assessment of the financial circumstances of the entity or company to come up with questions the following day. I think that is not acceptable.

Therefore I would request that this recommendation be accepted. As I say, where the appropriate minister does not have the annual report available, a summary of the financial situation of the company or entity should be provided as a replacement for the annual report, and I think that should take place at least five working days prior to their appearance before this committee.

MR. CHAIRMAN: The Member for Edmonton-Beverly, followed by Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, on a point of order. I just want to ask if my memory is correct that this was divided into two recommendations yesterday.

MR. CHAIRMAN: Yes, it was.

Is the member speaking to . . .

MRS. BLACK: I was speaking to both. They can be separated, if the members so wish, in debate.

MR. JONSON: I'd just like to explain my reason for interjecting on that particular point. That is that personally I support both these recommendations, but I see that the second one may have some technical points raised with respect to it, if we pass it, that are not inherent in the first one, and I would not want one to go down because the other one might be opposed for some reason. That's why I understood it was split yesterday.

MR. CHAIRMAN: All right. I believe the committee is clear that they will be voted on separately. Does that take care of your concern, as long as they're voted on separately?

MR. JONSON: Yes, sir.

MR. CHAIRMAN: All right. Thank you.

The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. I also agree with the two motions. The reason I indicated my intent to speak to them, and I want to speak to 13(b), is that I was much more supportive of the motion prior to the members' amending that motion yesterday. Initially, the motion read "that the appropriate ministers undertake to ensure that all annual reports of companies and entities" be made available to us. I felt yesterday after the amendment that we'd watered it down by saying that "ministers give consideration to providing." To me, that really dilutes the intent. I think the member spoke about the need for the information five days prior to the minister appearing before the committee, and I certainly totally concur with that. But I think what she has done is provide the ministers an escape hatch by diluting the motion by simply saying they'll "give consideration" to providing that report.

3:44

MR. CHAIRMAN: Thank you. Any other members wishing to speak to recommendation 13?

The Member for Lacombe.

MR. MOORE: Well, Mr. Chairman, it's a realistic request in (a) section. I feel it's something the Provincial Treasurer should

undertake, to provide us with that document with time to review it. On the second one, I think the key words there are "give consideration." I like that because there are a lot of companies we work with that have certain conditions with their financial statements; they can't release them until a certain time. Some of this information is between companies and the government. A lot of times it's confidential and within the agreements they have signed with those companies, so we shouldn't be all-inclusive in saying that we should get them. I just want us to understand that the key words there are "give consideration," that there are a lot of these things that cannot be made available as asked in this recommendation.

MR. CHAIRMAN: Thank you. Any other members wishing to speak?

The Member for Calgary-Foothills to close debate.

MRS. BLACK: Thank you, Mr. Chairman. Briefly, because of the lack of negativeness towards 13(a), I will assume that most members are in agreement with that one.

I'd like to respond to Edmonton-Beverly on the "escape hatch" for ministers that he alluded to. I want to make it quite clear that I have no intention of giving an escape hatch to ministers on information. What I think is important is similar to what the Member for Lacombe alluded to: when I looked again through the list of companies, not all companies have the same year-end, so the annual reports may or may not be available. If they could have an interim financial statement, then I would accept that, and I would hope that ministers would show a responsibility in providing that kind of information to the committee wherever they could. I did not water down my recommendation at all, but I think it's a little more realistic that there may be a situation that would arise that would not allow, because of the timing factor, for the information to be available.

I guess from the committee's standpoint, I would then close by saying that I would hope that all ministers associated with the fund would take this as a serious recommendation, that we definitely do need the financial information and we need to have it readily available to our committee, again, five working days before their appearance. But in no way would I like to see the deliberations of the committee delayed if this recommendation could not be complied with.

MR. CHAIRMAN: Thank you.

The Member for Wainwright to introduce recommendation 14.

14. Mr. Fischer recommended that consideration be given that the net profits from Syncrude be exempt from section 4(2) of the Alberta Heritage Savings Trust Fund Act, which states, "The net income of the Trust Fund shall be transferred from the Trust Fund to the General Revenue Fund." This would allow Syncrude's net profits to be returned to the Alberta Heritage Savings Trust Fund.

MR. FISCHER: Thank you, Mr. Chairman. Now, this motion is fairly self-explanatory. We all know how inflation is the major culprit in the erosion of the fund. The intent of this motion is to stop that erosion. The legislation presently allows that all of the net profits be transferred to the General Revenue Fund, and I believe that the management's goal should be to ensure that the value does not deteriorate even the smallest amount. I also realize how great a need there is for the money in the General Revenue Fund to balance the budget.

However, there should be more emphasis or a plan in place to begin putting some of the net profits back into the fund. This motion could be the first step in that plan to return at least some of the profits. I would hope that each year we could increase the return of the profits. Last year the net profit of Syncrude was \$82 million, and that may not be enough to take care of all of the inflation, but certainly it would help. I realize that because the net profits vary quite a little bit, it would be a bit unstable as it was flowing back into the fund, but on the other hand, it would reflect the economy in the oil industry at that time. When the times were good, it could pay a little bit more back, and when they weren't so good, it would be paying very small dollars back, which I think would be quite helpful to it.

This motion and the timing of this motion – and it was put in last year as well. At the end of '91, I believe it is, the royalty exemptions that have expired will allow for increased royalties to flow into the General Revenue Fund now. It could be up to around \$150 million or thereabouts, so this would help cushion the loss of the net profit of Syncrude that would flow back into the fund. The heritage fund's investment in Syncrude as a catalyst in developing a billion-dollar industry here in the province has been just great for the province. I feel that the industry is running well now and is making some profits, and they should be returned to the heritage fund, where it came from. This money could be available for another such development in the future, and certainly this motion is consistent with saving for the future. Maybe it will be our children or grandchildren that will make use of that money in another such development sometime, but I really believe that we should try to continue to stabilize that fund.

For these reasons I look forward to your debate, and I also look forward to your support on this recommendation when we vote. Thank you.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. I'm really surprised by this motion from the member on the government side of the House. I think he explained, perhaps rationalized, why he has brought this motion forward. I can't help but think the Treasurer wouldn't want to support this one, and I certainly don't support it, while I appreciate that it might be prudent to continue to add funds back into the fund, so that it grows, and maybe to provide at some future time for perhaps an expansion, as the member has stated. However, with the state of our economy and the state of our Treasury in the province at the present time, I would think it rather would not be a prudent move to change or to exempt Syncrude's net profits from the General Revenue Fund. I think it should be there.

I think we certainly need funds in the province to meet the demands that are being imposed on us, to some degree by the recession of course. Hopefully, when the economy eventually turns around and our general revenues are back in the black, we can certainly consider some motion like this again. But I think at the present time I don't feel that I could support this proposition because I think the funds that are being generated from Syncrude are equally important to be used at the present time as they might well be at some future time.

3:54

MR. CHAIRMAN: Others?

The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. Just a short comment on the recommendation by the Member for Wainwright. I would prefer that we actually go through a review process of the entire fund. When I go back again to recommendation 5, which talks about the underlying principles and structures of the fund, I would think the overall review of the fund and the direction of the revenues associated with the companies within the fund would be something that, in fact, would be reviewed, and this particular section 4(2) would certainly fall, I would think, into that review process. I'm a little leery - surprisingly enough, similar to the Member for Edmonton-Beverly at this time - as to whether I would be able to support this recommendation as is, particularly with the potential of precedent setting for other entities within the fund and the future direction of the revenues generated by those entities. So I have some hesitation in accepting the recommendation.

MR. CHAIRMAN: Thank you.

Does the Member for Wainwright wish to close debate?

MR. FISCHER: Yes, he does. Thank you. The state of the Treasury and the timing of it, as our two members mentioned: I think we would have to ask ourselves about the Treasury now, our budgets, how we control our spending, and maybe it will help force a little tighter control on our budget. I guess maybe that's what I'm kind of getting at, but the thing is that when you've got this money coming in, it's difficult to wean the Treasurer, if you like, off these incoming funds, and I would like to see us do it gradually. I don't want it to sound like I'm speaking negatively to our Treasurer, because he's only one part of our government, but I do believe that we could at least afford less than 1 percent of our total budget to shift around to save for the future. For the future of our kids and everybody else, surely we could take a wee bit less.

With that, I still ask you for your support when it comes time to vote. Thank you.

MR. CHAIRMAN: Thank you.

The Chair notes that we've been taking something considerably in excess of five minutes to deal with a recommendation, and in view of the fact that we have slightly less than five minutes left, would there be opposition to adjourning debate at this point, five minutes early, as opposed to starting a new recommendation and ending up halfway through it?

The Chair doesn't hear any opposition, so would entertain a motion for adjournment from Calgary-Foothills.

MRS. BLACK: So moved, Mr. Chairman.

MR. CHAIRMAN: All in favour? Thank you. We stand adjourned until 10 o'clock tomorrow morning. Thank you.

[The committee adjourned at 3:57 p.m.]

