

10:02 a.m.

Thursday, November 28, 1991

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call the meeting to order.

We'll resume the debate on the recommendations, and out of necessity, we'll move to recommendation 17.

Mr. Payne, Member for Calgary-Fish Creek.

MRS. BLACK: Point of order, Mr. Chairman. What happened to 15?

MR. CHAIRMAN: The member representing 15 is just entering the Chamber. Perhaps we should . . . Is the Member for Calgary-Mountain View ready to proceed with recommendation 15?

MR. HAWKESWORTH: Yes, thank you. I am.

15. Mr. Hawkesworth recommended that the segmented information attached as a note to the audited financial statements be expanded to include a breakdown of income earned on each investment of the Alberta investment division of the Alberta Heritage Savings Trust Fund.

MR. HAWKESWORTH: Mr. Chairman, number 15 relates to a note that appears in the financial statements on page 47. The segmented information provides the net investment income for various divisions of the fund, including that for the Alberta investment division. In 1991 it was \$700 million. If we go to the Alberta investment division schedule, that includes the debenture income for the Crown corporations, corporate debentures for entities such as Ridley Grain, Nova, and Millar Western. The income from common shares includes Alberta Energy, Canadian Western Bank, Nova, Telus and, as well, three joint ventures: the Lloydminster upgrader, the oil sands, and the Syncrude project. I presume next year when we get our annual report, it will include the debenture in the Al-Pac project.

What I'm proposing with this recommendation is that there's a gross amount that's included in the note to the financial statements. As I said earlier, it indicates \$700 million of income for the Alberta investment division based on approximately \$6 billion in assets. What I think would be helpful if we want the public to know more about the operations of the fund is a breakdown of how much money was earned by each of these investments. We would know, for example, how much of that \$700 million in income came from Telus Corporation shares, how much came from Nova Corporation in the two categories, how much was earned from Ridley Grain, or how much was earned from Millar Western Pulp or the Al-Pac project. I think that would be the kind of information the public would like to know, and it's the kind of information the public ought to know. So rather than just receiving gross amounts, there would be some breakdown in that, and that way we would really know what is going on on an individual entity basis.

I gather from comments other members have made in previous recommendations that they're proposing we provide further information, for example, for the deemed assets, an earlier recommendation debated by the committee. We also had a number of comments around this committee earlier about how it's important to tell the public what's going on. Recommendation 7, for example, talks about how we should be doing more to better inform the public. We should have public hearings. We should have meetings around the province. There are all kinds of suggestions for telling people how the fund really works, and I'm

sure members of the committee will realize that recommendation 15 here intends to do the same thing, particularly for those investments made here in our own province.

I look forward to support from other members of the committee.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I think the intent of the motion is one that a lot of us would agree with, and as the hon. Member for Calgary-Mountain View expressed in his opening comments, one of the thrusts this year has been to access additional information. However, I think in my recommendation 13, part (b), I put forward the recommendation to be able to access better information on the associated companies and entities involved within the fund, and I would much rather have the actual annual report or interim financial statement than just an earned income statement for the entities within the report. I would rather have a more focused approach to financial assessment by having the broader involvement of the financial and annual reports of the entities associated with the fund. So I think this recommendation is really covered in my recommendation 13 and even to a greater extent in 13, as it would provide not only the current year's earnings of the particular entities but also, presumably in the annual reports, a comparison between years of earnings and projections within the footnotes of the annual reports and financial statements.

It also fits in quite well in recommendation 5 from the Member for Calgary-Fish Creek when we look at the structuring and principles of the fund and discussing the mandate with the public. I think it might be a little narrow in its scope to attach a note. I'd rather see schedules attached as opposed to notes, which give better breakdowns, if you're looking for further information, than strictly a note to the financial. A note quite often is in summary form. It certainly highlights the performance of the entity it relates to, but it doesn't give the detail and the background of the comparison that I think we may be looking for to do a little better assessment of the performance of the investment. So I would much prefer that we go with my recommendation, which is a little more encompassing than this recommendation. Therefore, I would hope the hon. member will support mine and see that this falls within that recommendation of mine.

MR. CHAIRMAN: Other members? The Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, I would simply like to say that I support this recommendation. It is important that we have as much information as possible, and even if this particular recommendation might be construed as being a subset of another recommendation, it certainly wouldn't hurt to either work on officially amalgamating them or vote for both of them. It's not going to be a problem if they in fact ultimately do accomplish the same thing.

MR. CHAIRMAN: Others wishing to speak? If not, I'd ask the Member for Calgary-Mountain View to close debate.

10:12

MR. HAWKESWORTH: Thank you, Mr. Chairman. I thank the other members for their comments. First of all, let me respond to the Member for Calgary-Foothills. Yes, I intend to support recommendation 13, but I think I need to point out that 13 doesn't deal with the matter we're talking about here. First of all, 13 asks

ministers to give consideration to doing something; it doesn't require them to do anything in particular. If a minister decides he's not going to provide the information on the entity, well, according to the motion, he retains complete and total discretion to deny that information to the committee. So it doesn't really get at what we're talking about here.

Also, recommendation 13, even if a minister were to walk in here and provide an annual report – say, for example, Nova Corporation. That's fair enough. It's a publicly traded company. Its securities are traded publicly. An annual report is public information and available, and that could be provided. But I'm not convinced that all these entities here are public companies in that sense or that their financial information is readily available in the same sense. I stand to be corrected if Ridley Grain or Millar Western are in fact in those categories. I understand them not to be, and I think there would be some questions about whether a private company would want to have its entire annual report made available simply for us to try and sort out what they might be paying to the Heritage Savings Trust Fund. As well, joint venture matters might be a special arrangement that can't be determined from the annual report of one of the particular participants.

So bringing in annual reports for various companies is perhaps illuminating and helpful in some ways, but it doesn't necessarily tell us how much money is earned by the fund in regard to each of those entities. Even assuming that Telus pays a dividend and that its asset value has increased in the market, that doesn't tell us necessarily how much of that was paid to the Heritage Savings Trust Fund. It simply would be a matter of incorporating that in another column on the schedule so we can just add up the column and say that, yes, it adds up to \$700 million and that fits with the information given in the note for the segmented information appearing earlier in the financial statements.

I can understand why the government might not want to proceed with this. They may not want the public to know how much money was not made in various enterprises. If it became obvious that there was no money at all made on payments of corporate debentures from a given entity, they may not want the public to know that a particular investment of the trust fund is not earning anything. I can understand why they wouldn't necessarily want to put that schedule in the financial statements. I suspect that if my motion is defeated it would be for that reason, that the government doesn't really want the public to know.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Mountain View to introduce debate on recommendation 16.

16. Mr. Hawkesworth recommended that the Alberta government consider developing a strategy for the early repayment of the Alberta Heritage Savings Trust Fund loan to Vencap Equities Alberta Ltd.

MR. HAWKESWORTH: Thank you, Mr. Chairman. After having placed a recommendation for consideration by this committee for a number of years now, I'm hopeful that perhaps we're coming to an agreement or a meeting of minds in this committee about the importance of this question or this matter. The recommendation asks the government to consider ways in which they can recover a loan, made a number of years ago now, to Vencap Equities Alberta Ltd.

I've had a concern over the fact that \$200 million which was intended to be used for venture capital investment in the province has largely been sitting in a bank account invested in T-bills and bonds and other debt instruments and only a small portion of that

\$200 million has actually been invested in venture capital companies. Certainly that was the track record for a number of years, and it didn't seem to me to be an investment particularly meeting the mandate that was given. In addition to that, we realize how the trust fund depends on the income generated as a part of the arrangement made with Vencap, and this year we note that the income on that \$200 million investment amounts to only \$700,000. That's down from \$5.6 million in the previous year. That's a result of an investment in three venture companies during the year. Well, we recognize that when you get into venture capital investments, there are bound to be losses – there's no question about that – and we accept that as part of the business, but I think anybody would say, "Look, if the heritage fund is going to be harmed by getting only a \$700,000 return on a \$200 million investment, there's something going on here that needs to be reconsidered."

Perhaps the time has come that all members on the committee recognize that the government needs to recover that loan and ought to begin taking steps to secure that money back into the trust fund where it could be put into perhaps a more secure investment and generate a larger income for the fund. Vencap has now got a track record; they now have some working capital. The fund presumably has no control over where they make investments and our income is being harmed by not having any control over where those investments go. So perhaps the time has come to sever the relationship, say to that company: "Fly on your own. If you benefit, your shareholders benefit; if you fall, your shareholders fall." Let's let the fund start to generate the kind of income it ought to be generating for the people of Alberta and not be further harmed by this relationship.

I'm hoping that all the recommendations that have been brought forward by various members in the committee will be adopted.

MR. CHAIRMAN: Those wishing to speak to recommendation 16?

Does the member have any other remarks in closing debate?

MR. HAWKESWORTH: None, thank you, Mr. Chairman.

MR. CHAIRMAN: Recommendation 17, moved by Mr. Payne, the Member for Calgary-Fish Creek.

17. Mr. Payne recommended that the Alberta Heritage Foundation for Medical Research be requested to conduct systematic, ongoing research into the Alberta health care system with the objective of enhancing the system's effectiveness and efficiency.

MR. PAYNE: Mr. Chairman, I'd like to preface my remarks by drawing committee members' attention to the objective of this recommendation, which is to enhance the effectiveness and efficiency of our Alberta health care system. I think most members of the committee would agree there's a need to work toward such an objective.

Historically, of course, there have been various attempts initiated by the government and by the Alberta health care plan to achieve this objective. But in my view these attempts have been somewhat disjointed. They have been, if you will, snapshots reflecting the perspective of the person or group doing the analysis and in part reflecting the varying terms of reference associated with such research attempts. It's obviously the implication of this recommendation, Mr. Chairman, to point out that there is a need for a more systematic approach to research into the workings of our health care system.

It's my contention, Mr. Chairman, that the Alberta Heritage Foundation for Medical Research is uniquely qualified to conduct such research. They obviously have the professional people with expertise in systems and methodology that very readily would be tailored to this kind of health care system research. I'd like to remind the members of the committee that one year ago when representatives of the foundation met with us here in this Chamber, in response to a question from me, they indicated they indeed do have such skills relevant to this kind of systems research and indeed they would be prepared to undertake such research. Of course, they put on the quite understandable caveat that there would be additional operating costs incurred and these would require a redirection of people and resources if there were not supplemental endowment funding.

10:22

As I recall from our meeting this year with representatives of that foundation, Mr. Chairman, the value of the foundation's endowment now exceeds, I believe, \$500 million. For simplicity's sake, if you assume a 10 percent return on that endowment, their operating budget would be in the order of \$50 million, and it seems to me the amount of dollars it would require to undertake this kind of research would be a very, very small percentage of that kind of annual operating budget.

Mr. Chairman, if the Alberta health care system's effectiveness and efficiency were to be enhanced over time as a result of this type of research, I think we could logically anticipate additional dollars being freed up to expand or at least improve our health care system and perhaps even supplement the endowment or the operating fund requirements of the Alberta Heritage Foundation for Medical Research itself.

Mr. Chairman, when this recommendation is put to a vote, likely next week, I trust members of the committee will join with me in passing this worthwhile and timely recommendation.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, I endorse this motion wholeheartedly. I believe that sometimes, perhaps too often, we expect we can improve health care by doing more of the same simply with greater intensity and with greater speed, harder and faster, and I think it is very important that we pause and take the opportunity to step back and analyze what we are doing from a more objective point of view. If we accept, as we must, that the Heritage Savings Trust Fund is here to secure the future, to provide for the future, I believe we must accept as well that it can make a profound contribution in that regard by assessing new directions for health care development in this province. I have the suspicion that there are many ways in which our health care system can be improved, not simply by a greater commitment of funds or more and more detailed and complicated and less easily understood research, although that is of course important, but also through an assessment of how that system can be operated more effectively and more efficiently by reassessing the very premises upon which we have established our health care system. There is no more appropriate place in this province, no more appropriate way in this province, to confront that challenge than through the Alberta Heritage Foundation for Medical Research.

Therefore, I congratulate the Member for Calgary-Fish Creek for having presented this motion, and I assure him that I and my colleague on this committee will vote in favour of it.

MR. CHAIRMAN: Thank you.

Just prior to recognizing the next speaker, the Chair would like to recognize a school group in the gallery. We welcome them this morning. I would advise them that they're watching the proceedings of the Alberta Heritage Savings Trust Fund select committee, an all-party committee. We're presently debating the recommendations that have been brought forward by committee members. We welcome you to the Legislature today, hope you will have an enjoyable time, and ask that you stand and we'll give you a committee welcome to the Legislature.

The Member for Ponoka-Rimbey.

MR. JONSON: I would like to start by indicating that I support the recommendation in the sense that I think there is certainly a place for an independent, arm's-length investigation of the health care system with respect to promoting more effectiveness and efficiency. I asked for the opportunity to speak, Mr. Chairman, because I have some difficulty with seeing it being placed as a responsibility of the Alberta Heritage Foundation for Medical Research. This is why, first of all, the foundation has indicated that they would prefer to have a very significant increase in their endowment. I took from their presentation to us that they felt that this was necessary to continue to pursue with the degree of activity and expertise clinical or hard research, which has been the area in which the foundation has operated for the most part almost entirely over its years of operation.

I don't know what this particular investigation would cost. Perhaps in terms of investment in materials or things such as that it is very minuscule, but certainly it would require a great deal of staff time to be done properly. I just have this concern about changing the direction of the foundation into nonclinical, nonhard research, as I like to call it, without considering what the implications of that will be for the activity they're currently doing. If we had funds in another location in the Heritage Savings Trust Fund which we could add to their resources or if there was some other credible independent entity that could pursue this particular objective, it's certainly something that needs to be done, but I do have that concern about the funding of it relative to the current, very worthwhile work that is before the foundation.

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

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'm at a bit of a loss to understand why this proposal might be coming forward. I mean, how many years ago was it that the government invested close to \$4 million, if memory serves me correct - and I could stand to be corrected on that - in terms of the Hyndman review of Alberta's health care system? It was as extensive a commission review of Alberta's health care system as I think we've ever had in this province. So far as I'm aware, the Health department hasn't even completed its review yet or announced all of its responses to that commission's recommendations, the Rainbow Report, and here we're already talking about launching off to look at the entire system again in terms of its effectiveness and efficiency. Now, perhaps the hon. member doesn't think that Mr. Hyndman got it right, and perhaps he didn't. That's fair enough. But I certainly have a lot of concerns about redoing a commission report before we've even heard from the government in terms of its response to that commission's recommendations. I don't understand the timing of this particular recommendation nor its mandate, given what has happened within the province just in recent years. I just don't see this requirement being necessary at this particular time.

Thank you.

MR. CHAIRMAN: I'll call on the Member for Calgary-Fish Creek to close debate.

10:32

MR. PAYNE: Mr. Chairman, I'd like to thank the Member for Edmonton-Meadowlark for his positive and supportive comments. I listened with considerable interest to the less than supportive comments of the Member for Ponoka-Rimbey as well as the Member for Calgary-Mountain View and would like to make two responses.

First, the Member for Ponoka-Rimbey quite properly underlined his concern that this would, in effect, represent a change of direction for the foundation, and I would like to suggest that it would be a very, very modest midcourse correction taking perhaps less than a half of 1 percent of the foundation's budget. So it would be a very modest midcourse correction. But I think it comes down to a question of priorities, Mr. Chairman, and I would pose the question to the Member for Ponoka-Rimbey and to the other members of the committee: which should now at this point in time get the higher priority? It's my submission that the time is now to give the health of our health care system as much emphasis as clinical research. Now, the Member for Ponoka-Rimbey also suggested that maybe some other entity ought to be considered. I have reflected on that for many months, and it's my considered view that there is no other organization of health care professionals or scientists in our province that are as qualified, as able, or as competent to conduct such research as the Alberta Heritage Foundation for Medical Research.

Finally, Mr. Chairman, the Member for Calgary-Mountain View suggests that maybe the Member for Calgary-Fish Creek is somewhat impatient with or dissatisfied with the work of the Hyndman commission. That's not the point at all. Perhaps I could just repeat the comments I made earlier this morning wherein I said that the Hyndman study, the Watanabe study — these other studies all represent snapshots, and I think the time is past for snapshots of our \$4 billion health care system. We need something that's more systematic, more continuing, more competently and scientifically done, and this recommendation that we're discussing today will, I think, achieve that end.

I would again plead for the support of the committee members on a recommendation that could potentially be of great, great benefit to our health care system and to the people of our province.

MR. CHAIRMAN: Thank you.

18. Mr. Payne recommended that the Alberta Heritage Foundation for Medical Research convene a provincial symposium to explore the legal, moral, and ethical aspects of physician-assisted suicide with the objective of providing the Alberta government with policy advice and related research data.

MR. CHAIRMAN: Recommendation 18 has been withdrawn.

MR. MITCHELL: A point of order.

MR. CHAIRMAN: Yes.

MR. MITCHELL: Mr. Chairman, I wonder if it would be appropriate to ask the member why that recommendation has been withdrawn, and I'll tell you why I'm concerned.

MR. PAYNE: I'd be more than happy to.

MR. MITCHELL: Okay. As a matter of procedure I appreciate that, and I look forward to the comments.

There are cases where members may not have proposed a motion because another member proposed a similar motion. If the member then decides to withdraw that motion and it's past the deadline for presenting motions, we could lose the opportunity to present or discuss an important idea. That isn't a problem of mine in this case, but I would just like an explanation.

MR. CHAIRMAN: The Chair would allow the Member for Calgary-Fish Creek to respond if he chooses on that issue.

MR. PAYNE: Mr. Chairman, I welcome an opportunity to explain, because I'm sure some of the members may be puzzled as to why I did so.

You may recall, members of the committee, that when I earlier spoke to this concept, I made the point that the questions of physician-assisted suicide and euthanasia are very contemporary issues and that the government of Alberta could very well benefit from policy advice that would flow from such a symposium. It is said that life in politics is a life of coincidences. This is perhaps the most dramatic illustration of that aphorism. Not 48 hours after I submitted that recommendation, I picked up the *Calgary Herald* and read the results of a daylong symposium on euthanasia conducted by this foundation.

MR. MITCHELL: I thought you didn't believe the *Herald*.

MR. PAYNE: Yes, in this instance I did believe the *Herald*, in response to the rhetorical question from the Member for Edmonton-Meadowlark.

That, Mr. Chairman, is the explanation for the withdrawal of the recommendation.

MR. CHAIRMAN: Thank you.

The Chair wants to preclude debate on the recommendation because it has been withdrawn and it shouldn't be carried any further.

I recognize the Member for Ponoka-Rimbey, Mr. Jonson, to introduce debate on recommendation 19.

19. Mr. Jonson recommended that a review of the performance and mandate of Vencap Equities Ltd. be undertaken.

MR. JONSON: Yes, Mr. Chairman. I would like to offer a few comments in support of this recommendation.

First of all, I think we have to always remind ourselves that Vencap is a venture capital fund and that by that very nature it is to be venturesome and have that venturesomeness tempered, of course, by wisdom and expertise. There will be risks taken, and there will be failures. We, of course, would not set up a fund such as this unless we felt we had a mechanism in place whereby the chances are that the successes would far outweigh the failures and it would have eventual economic spin-off for the benefit of the entire province. However, given that background I think there are reasons to have the performance of Vencap Equities examined. I note that they are venturing into out-of-country investment. I don't pretend to have the expertise to see the connection between that particular investment and its benefit to Alberta, but perhaps somebody should be examining it to make sure that it is in keeping with the mandate of the company. I also note one particular investment which I have great difficulty in classifying as a venture capital investment, a fairly major one. Therefore, in

terms of the company's functioning as a venture fund, I think there is reason to have a review of its performance and mandate.

Secondly, Mr. Chairman, and this has been referred to earlier in the debate of this committee, the company has sat on – perhaps that's not entirely a fair statement – but certainly has a very large amount of unutilized money from the Heritage Savings Trust Fund still in its coffers. The Heritage Savings Trust Fund receives no interest on that money, and therefore there is no benefit from that fund or that amount of money to the people of the province. It seems that this money is being utilized at a very, very small rate. If you were to project investments forward into the next decade, it's doubtful if there wouldn't still be a significant amount of money sitting there in patient types of investment and feeding interest into Vencap itself rather than to venture investments.

Therefore, Mr. Chairman, I think it is appropriate to have such a recommendation go forward. I did not direct or try to direct as to who would do this evaluation, but I would think that we would want some independent advice as well as that of Alberta Treasury.

MR. CHAIRMAN: Thank you.

Other members wishing to speak to recommendation 19? The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I'd like to make a comment on the recommendation. The Member for Lacombe in recommendation 3 probably covers this recommendation, I would think, in developing the plan to return a portion of the funds to the heritage trust fund. I would think that a review of the performance and mandate of Vencap would probably fall under that recommendation in addition to recommendation 16 by the Member for Calgary-Mountain View. It's obvious, I think, that there are some questions as to a review, that a review would be welcomed in Vencap, as it appears as if many members are making similar recommendations. I would hope that this review of the performance and mandate would be covered under recommendations 3 and 16 if they were all combined, that it wouldn't be something that would be this or that or something else. I was wondering if this was a recommendation that would exclude the acceptance of other recommendations, if the member could comment on that.

10:42

MR. CHAIRMAN: The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Chairman. I feel I don't have much to say now that the Member for Calgary-Foothills has said most all that I had to say. In fact, this is probably putting the horse behind the cart, because I think the other recommendations before it will prove that the money must be returned to the heritage trust fund from Vencap.

MR. CHAIRMAN: The Member for Lacombe.

MR. MOORE: Thank you, Mr. Chairman. Well, I support this motion. It complements our recommendation 3 inasmuch as it would identify and help develop a plan of how we could return some of that capital that's underutilized to the heritage trust fund. So I think it's an excellent motion and would be certainly complementary to the whole plan of getting those dollars working for Albertans.

MR. CHAIRMAN: Thank you.

Does the member wish to close debate?

MR. JONSON: Thank you, Mr. Chairman. I would just like to make the comment in response to the question from the Member for Calgary-Foothills that no, I do not see this recommendation as being incompatible with the other two recommendations referred to. I think it tackles the alleged problem in a broader way, but I do not think they are conflicting.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for West Yellowhead, Mr. Doyle, to introduce debate on recommendation 20.

20. Mr. Doyle recommended that all proposals for development in Kananaskis Country be submitted to environmental impact assessments, including a requirement for public hearings.

MR. DOYLE: Recommendation 20 is the wish of many Albertans, Mr. Chairman. They felt that the money spent on Kananaskis was perhaps done without their public input and without the proper environmental assessment, so in the future when heritage trust fund money is spent on such lucrative and pleasurable items as Kananaskis Country, and others in fact, we should always be aware that an environmental assessment is needed and that public hearings especially should be held so that Albertans can share their views as to whether the heritage trust fund money is being spent in the proper fashion for these types of developments.

MR. CHAIRMAN: Members wishing to speak to recommendation 20? The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, I just wish to point out with respect to this recommendation that, first of all, the government has put in place the Natural Resources Conservation Board and the legislation supporting that entity. It is now there for all developments in the province, whether they be within Kananaskis Country or some other park or some other location in the province. That is certainly a mechanism which will do environmental impact assessments and will be involved with public hearings. In fact, I understand that their first such activity is currently under way. In addition, I expect that all members of the Assembly expect to be able to pursue and conclude the passage of new environmental legislation for the province in the spring session of the Legislature, which will cover not only Kananaskis Country but all parts of the province. So I fail to see the need for this particular recommendation.

Perhaps this is a small point, Mr. Chairman, but "all proposals," even in Kananaskis Country, could get if not ridiculous a little bit worrisome, because there are minor adjustments, improvements, capital expenditures from time to time that could be classified as a project but really are not affecting the environment one way or another. Surely we would not be looking to an impact assessment and public hearings and all the financial implications that those have.

MR. CHAIRMAN: Thank you.

Any other members wishing to speak to that recommendation? If not, does the Member for West Yellowhead wish to close debate?

MR. DOYLE: Mr. Chairman, I would like to say in regards to the statement made by the Member for Lacombe that any environmental assessment or any public hearing is indeed not a ridiculous . . .

SOME HON. MEMBERS: Lacombe?

MR. DOYLE: Excuse me, Mr. Chairman. If I could correct myself, the Member for Ponoka-Rimbey suggested that perhaps an environmental assessment or a public hearing would be hinging on the ridiculous. Well, in my mind I would doubt that input from any Albertan would be ridiculous. It should be listened to through a public hearing, and a proper environmental assessment should be done on any developments within this province that infringe on public lands, especially when the money comes from the taxpayers of Alberta through the Alberta heritage trust fund.

Thank you very much.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for West Yellowhead with recommendation 21.

21. Mr. Doyle recommended that the government of Alberta stop using the Alberta Heritage Savings Trust Fund to provide subsidized loans to foreign-owned companies such as the Alberta-Pacific joint venture, thereby seriously harming the fund's future investment income.

MR. DOYLE: Thank you. Recently, as you know, Mr. Chairman, you and the Member for Ponoka-Rimbey and myself attended the state of Alaska in regards to the Alaska Permanent Fund. It was made very clear to us at that time that Alaska had made some poor ventures for future years of their fund into such developments as forestry development and many other developments that proved unworthy for them. So the state of Alaska, through the Alaska Permanent Fund, got out of these particular types of ventures. Different from the Alaska Permanent Fund, this money was given without any consideration of some other needs like farms and other projects in the province of Alberta, to a multinational company, Alberta-Pacific pulp: an investment of \$275 million.

Note (j) of the Alberta heritage trust fund report indicates that Al-Pac will not only be charged interest on the debenture at Alberta's 20-year borrowing rate; it will only make interest payments on the debentures if it makes money. Well, this \$275 million is quite an investment out of the Alberta heritage trust fund. In fact, the \$275 million was given to Al-Pac as a subordinate debenture. The *Dictionary of Canadian Economics* clearly indicates that a subordinate debenture is a debenture that is not recoverable in the event of bankruptcy or closure. A sweetheart deal was good enough to allow them the interest on a 20-year borrowing rate, but at the same time we have no guarantee that money can ever be recovered.

I would hope, Mr. Chairman, that these types of interest would stop. It's no way to be using the heritage trust fund. It was put in place for our generations for the future, and it's just being handed out to these companies for no reason whatsoever. It's bad enough we give them our trees for next to nothing; now we give them money to float the financing of these companies. I do agree that some forestry developers are very good employers in this province, but indeed when you give out such deals as a subordinate debenture, something that is not recoverable by the taxpayers of Alberta, it is not a very good expenditure of Alberta taxpayers' money.

The heritage trust fund, Mr. Chairman, was put in place to be spent wisely. I feel we should take many examples from the Alaska Permanent Fund, where they stop these silly ventures into companies that set up only to rape the forests and then turn the key, with no guarantee whatsoever that we're going to get any of this money back.

It's a longer term investment, I believe, than any other investment that was made out of the heritage trust fund, especially when they'll only be charged interest on the debenture at a 20-year borrowing rate and it doesn't have to be paid back until they show some sense of profit. Well, we know, Mr. Chairman, that if companies expand, they can stay within the boundaries of not making a profit, and in fact this could go on much further than 20 years.

So, Mr. Chairman, I would hope that members of the heritage trust fund committee at least would think seriously that this is a not needed investment, that private companies should go out on the open market and raise their own funds and not depend on the resources that were put in place for future generations of our province.

10:52

MR. CHAIRMAN: Thank you.

The Member for Athabasca-Lac La Biche.

MR. CARDINAL: Thank you very much, Mr. Chairman. I would like to speak against motion 21 because of a number of reasons. I think one of the things I'd like to clarify in this House is that we need to start looking at the whole issue of the question of foreign-owned companies and how we operate in the future. Number one, if you look at, for an example, who is foreign in this House, we're sitting here and from what I understand, I'm the only aboriginal member of Canada here today and the rest of you would be foreign. So we'd be foolish, I think, all of sudden to draw a line somewhere and say that the rest of you are foreign from now on. I think economically and socially it would be devastating for this world if we started doing that. I think the opposition Member for West Yellowhead is very shortsighted to all of sudden say: we're here and now we're going to draw a line and the rest of the country's foreign. I think it's very naive to operate that way in this day and age because we depend on the world economy and we depend on foreign investment in a lot of cases in order for us to maintain a decent life-style for Canadians. In Canada we just don't have the population to utilize what we've produced; therefore, we depend on foreign co-operation and investment.

In relation to, again, foreign investment and their activity in Alberta, for an example we presently have over \$23 billion of projects either going or planned for Alberta, and it's creating thousands of jobs for Albertans and will continue to do so. In fact, I know that a lot of friends of the Member for West Yellowhead are working on those projects, and they sure don't complain. They're happy that the projects are here. Otherwise, they wouldn't have been there. You look at the Daishowa project, with its 630 direct jobs and over 1,000 indirect jobs, which is providing opportunities in the Peace River area. In addition to that, of course, there is private investment that's going on, thousands of dollars of private investment of small businesses that provide services to the spin-off of Daishowa.

You look at the Alberta-Pacific project, for an example. It's 10 percent completed now. When the project commences operation, it'll have a payroll of \$75 million annually, will have \$20 million of annual purchases. It'll provide \$7.4 billion in export sales over 20 years. It'll provide an increase in property taxes for that municipality, for example, of 50 percent, which in turn will provide better services for the residents for that portion of the province, including better education, better housing, and, in general, better infrastructure. The operating costs for that one little project - and we're talking about lots of projects in Alberta that are foreign owned - \$200 million per year in operating costs.

That's a half million dollars a day that will be going to Alberta, and over 300 suppliers will be involved in the process.

Jobs: we're looking at over 2,250 jobs during construction, 550 during construction on spin-offs such as housing and commercial and other industrial buildings. Once the mill gets fully operational, we're looking at 365 permanent jobs at the mill site and another 660 jobs in the woodlands operation. Again, capital projects on the mill site alone will provide 75 jobs. Then of course we're looking at the construction of the paper mill also, which is tied in with this overall project and would involve foreign investment. We're looking at over 500 jobs directly at the site when the paper mill is under construction and 200 permanent jobs after the construction is completed. You multiply that by four times and look at the spin-off you have in the immediate area. The Alberta-Pacific head office itself has over 50 employees in Edmonton that otherwise wouldn't be here if it wasn't for the encouragement of this government to be very, very innovative in providing job opportunities and business opportunities for Albertans.

The project itself to date, I indicated, is 10 percent completed, and to date we've had up to 700 employees at the site itself, in addition to the spin-off, of course, in Edmonton and other parts of Alberta and Canada. Out of the 700 employees, over 200 were local people, and out of that, over a hundred native families were employed at that project site which otherwise would continue to live in poverty and on welfare. And this is just the start of the project. The project has only been operating for four months. Can you imagine what will happen in the future with these projects moving forward, when they do actually go into the operational phase and create more permanent jobs on-site and also the spin-off jobs in some of the rural parts of our province?

I feel that a motion like this is really very shortsighted. Of course, as all of you are aware and I think most Albertans need to be aware, both the opposition member from West Yellowhead that's making this motion and also the Liberals have always fought these projects and will continue to do so. They're not really concerned about the jobs. It's more a political motive, and you can see that both members . . .

MR. CHAIRMAN: Excuse me, hon. member. You're probably straying too far and imputing motives. Would you pull back to the subject?

MR. CARDINAL: In relation to the foreign investment again and these projects such as Daishowa and Al-Pac, you can see in the past that the motives of some of the people on the opposition side were basically not real. When you really look into how the processes went through, when they argued about, for an example, environmental protection in relation to the Athabasca, Peace, and North Saskatchewan rivers, it seemed to be that they felt there should be one set of laws for the rivers north and one set of laws for the rivers south, including the North Saskatchewan River, which goes through Edmonton. You only need to look in *Hansard* and some of the activities that happened to see how they put their points across in relation to managing these rivers. That is why I am speaking against this motion. It doesn't have any grounds to change now. I think the government is doing the right thing. I think it's doing the right things for all Albertans, including the people that live in the north, and therefore I hope that we vote against this motion.

MR. CHAIRMAN: Thank you.

Others wishing to speak to that recommendation? If not, the Chair recognizes the Member for West Yellowhead to close debate.

11:02

MR. DOYLE: Thank you, Mr. Chairman. I respect the views and the visions of the Member for Athabasca-Lac La Biche. Indeed, as he well knows, I know quite a little bit about the riding of Athabasca-Lac La Biche because I lived there for several years and own property in that particular riding and know the needs. I would like to say that I indeed am just as concerned about the employment of native people as the Member for Athabasca-Lac La Biche. I know many of those people there and how hard-stressed they have been for jobs and for education in the past. Indeed, employment of any type would help them have a better livelihood for them and their families in the future.

But, Mr. Chairman, the member said something about foreign investment, that everybody else in Canada was foreign. Then he got back on to foreign investment; I wasn't quite clear on what he was talking about there. He either is on one side of it or the other. Then he got into the debate about the funds going to the Daishowa mill. My resolution pertains to a subordinate debenture that was given to the Al-Pac mill with no guarantee of any payback, none whatsoever. They could at least have secured the Al-Pac assets before giving this money out. But the Member for Athabasca-Lac La Biche seems to be very much in support of the Daishowa mill, which is harvesting trees on Lubicon lands. He doesn't seem to care much about that.

Mr. Chairman, I would hope that in the future, and if possible now, we would get some security from Al-Pac. These companies, whether they be non-Canadian or offshore or whatever term would be the proper one to use - if the Member for Athabasca-Lac La Biche doesn't agree that these are foreign companies, perhaps he could say that offshore companies or non-Canadian companies and especially non-Alberta companies should not be getting such a sweetheart deal from this government on the backs of Albertans through the Alberta heritage trust fund.

Mr. Chairman, if it's too late now to get an assurance on this \$275 million subordinate debenture, I would hope that no further moneys will be invested in projects such as this without having the guarantee that the people of Alberta will be returned the moneys that were given to these companies.

MR. CHAIRMAN: Thank you.

The Chair should advise the committee that I received communication from the Member for Edmonton-Beverly that he needed to be excused from the committee meeting this morning. He left a few minutes ago and has requested that his recommendations be delayed until this afternoon. I've also received communication from the Member for Clover Bar that he's been detained and not able to be here this morning and that his be delayed until this afternoon.

That brings us, then, to recommendation 29, moved by the Member for Edmonton-Meadowlark. The Chair would then call that recommendation to be introduced by that member.

MRS. OSTERMAN: Point of order, Mr. Chairman.

MR. CHAIRMAN: Yes, Three Hills.

MRS. OSTERMAN: I hope it's a point of order. It's really to do with our procedure. I think most of us are very aware of the order of business of this committee and would try to organize ourselves accordingly, particularly if there are motions that we wish to speak

to. I raise this question because I think in future – we are trying very hard, I'm sure, to accommodate individual members. Now, without prior notice from those members about that, it may be that somebody felt that they could, because of pressing business, be present this morning because they anticipated certain business to be dealt with but would be absent this afternoon. They would find themselves, as well, without voice. I think the chairman should consider that before automatically assuming that this committee will juggle motions here, there. Now, if there was a sudden crisis, if something happened in one's family or whatever, that may take them away on an emergency basis. But the sitting time of the committee is well known to all members, and I think the chairman, with all due respect, should consider that automatically juggling the agenda may throw other members off.

MR. CHAIRMAN: The Chair is in the hands of the committee on this issue.

The Member for Wainwright.

MR. FISCHER: Thank you. On that point I would just like to point out that at the beginning of our meeting here today, it put you in a spot when we didn't know where to start because the people that had motions weren't here. If that would have carried on through the meeting, what do we do? Do we cancel our meeting, or do we just keep pushing them down the list? I think it puts you in a spot and that we should address that procedure on how we're going to do it, because I don't think I or any of the other members want to come here and have to go back home again.

MR. CHAIRMAN: The Chair should share the total information that has been made available to him. I received a note from the Member for Clover Bar indicating that he had been detained. I received it after the session started this morning. The Member for Edmonton-Beverly came to me after the session had started this morning indicating that he'd found it necessary to leave but that he would be back this afternoon. He requested that if it was not possible to delay his motions – he would prefer that, so he could be here for them – one of his colleagues would handle them in his absence. I am assuming the same would be true for the Member for Clover Bar.

Now that the committee has all the information that the Chair has, I'll recognize the Member for West Yellowhead.

MR. DOYLE: Thank you. The Member for Three Hills pointed out very clearly that if there was an emergency that came up – indeed, some things are not exactly emergencies. Some things are duties of the MLAs, and the Member for Edmonton-Beverly is doing *Provincial Affairs* presently. Feeling that . . . [interjections] Mr. Chairman, when the birds stop chirping, I'll start talking.

MR. CHAIRMAN: Order please.

The Member for West Yellowhead.

MR. DOYLE: Mr. Chairman, it was necessary that these resolutions go ahead. Of course, that's up to the committee or the Chair, but whether it be fair or unfair that this MLA's resolutions come up when another member is not available, perhaps we should take that into consideration. If one does not have members to speak on their behalf, perhaps the others shouldn't. It's a fair and reasonable request from the Member for Edmonton-Beverly, he is going to be here this afternoon, and we've prepared for this afternoon.

MR. CHAIRMAN: The Chair's not totally clear on your position, hon. member. Would you just . . .

MR. DOYLE: Mr. Chairman, the Member for Edmonton-Beverly would be here if he could be here, but he's had a previous engagement for some time now. He chose to go ahead with that, not knowing exactly where the resolutions on the heritage trust fund would be. Some went quicker yesterday than perhaps some expected, or maybe they went slower.

MR. CHAIRMAN: Thank you for the information.

The Member for Lacombe.

MR. MOORE: Well, I feel that we all should give priority to this very important committee and the deliberations of it and do our utmost to be here. But when I listen to the explanation of one member going to make a political speech and we have to hold this up, I find that very hard to accept. However, in the absence of that member we have a very good member from West Yellowhead who has all the ability in the world to present those motions of his and probably even better than the member who put them on the Order Paper. I have full confidence in the Member for West Yellowhead to carry on with those various motions.

MR. MITCHELL: May I just ask a rhetorical question, Mr. Chairman?

MR. CHAIRMAN: The hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Who sets the New Democrats' agenda? The media or their legislative responsibilities?

MR. CHAIRMAN: You're impugning motives. Do you have a position on the point of order?

The Member for Wainwright.

MR. FISCHER: On that point of order I really believe that we have to have better reasons than that, because certainly any one of us could have canceled that very appointment to be here. Certainly we are here. I support following our numbers here and going down the line without skipping around.

MR. CHAIRMAN: The Member for Calgary-Fish Creek, followed by the Member for Ponoka-Rimbey.

11:12

MR. PAYNE: Speaking to the point of order, I would like to express my concurrence with the remarks of the Member for Three Hills, but in so doing, I would certainly be prepared in this instance today to proceed with the recommendation that you had made, Mr. Chairman. I'd like to couple that with the suggestion that the chairman acquaint all the members of the committee with the top priority that should be accorded to the operations of a select committee so that we don't encounter this kind of difficulty again.

MR. CHAIRMAN: The Chair has problems. Was your recommendation that this should be dealt with and some policy put in place at our organizational meeting in the future to preclude this thing? It's the sort of thing we haven't encountered before, so the Chair finds himself in the hands of the committee. Was that your recommendation?

MR. PAYNE: Well, Mr. Chairman, I simply indicated that I was prepared . . . Well, I made three comments. One, I supported the concerns expressed by the Member for Three Hills. Two, at the outset you had suggested that we leapfrog four or five recommendations because the other two members - I'm saying that we might as well do as you had suggested. But, thirdly, to avoid a recurrence of this kind of difficulty, I would suggest that the chairman reacquaint all the members of the committee with the priority that should be accorded the operations of a select committee so that we don't encounter this problem again.

MR. CHAIRMAN: Thank you.

The Member for Ponoka-Rimbey, followed by Edmonton-Meadowlark on the point of order.

MR. JONSON: Yes, just two comments. First of all, with respect to the Member for Calgary-Fish Creek's last point, I would like that to be strengthened to not just reacquaint but that from this point onward hon. members arrange with one of their colleagues to take forward their recommendation if they are not able to be here. The other comment I wish to make, Mr. Chairman, is that I hope we could soon move on to some debate. Otherwise, it will be the afternoon and it will be a rather moot point.

MR. MITCHELL: I concur with the Member for Calgary-Fish Creek and with the Member for Ponoka-Rimbey. I believe that we should insist upon proceeding with motions as a general rule. Today, in this circumstance, there are people who are not here on the expectation that they have been excused, and so we should proceed. I would accept that we can proceed without them today and leapfrog, but in the future I think we have to avoid that.

MR. CHAIRMAN: If the Chair could just make a comment and remind the committee of the mandate of the committee, and that is to bring forth recommendations and have them duly debated. The Chair has some difficulty in moving ahead and bypassing recommendations and not allowing that opportunity to be done. It gives me some concern that we're bypassing one of the serious responsibilities that the committee has, albeit it may be the fault of the member who is not here.

Having said that to the committee, the Chair recognizes the Member for Three Hills.

MRS. OSTERMAN: I would only want to conclude by saying that while I realize the charitable recommendations made by the hon. members for Calgary-Fish Creek and Ponoka-Rimbey, I cannot concur with those recommendations with respect to this morning's proceedings. I say that, Mr. Chairman, because in the House, the Legislature, which is surely the primary body that we now look to, the organization of the House business is done and if there is a problem, that problem is discussed ahead of time by the House leaders. There was no prior notice given by these members so that there could be a discussion. When we are doing Bills in the Legislature, there is accommodation made on that basis. If a minister or a member proposing a Bill isn't going to be there or the critic for the Official Opposition may be missing, if that can be accommodated, it is done, but it is done ahead of time and notice given. I cannot concur that there should be a sense that automatically members would think that the business is going to be shuffled around. I'm sorry, Mr. Chairman. I don't mean to be harsh in that regard, but I'm astonished that there would be that belief inherent.

MR. CHAIRMAN: Thank you.

The Member for Lloydminster.

MR. CHERRY: Thanks, Mr. Chairman. I agree with the Member for Three Hills absolutely, because our duty is to this committee. I'm here and a lot of the other members are here. I make special time to come here each time, and I don't ask any favours of anyone. So I believe it's just like the Member for Three Hills said: in the Legislature if you're not here, then someone else does the job for you. I do not want any changes here. I want it to go forward this morning.

Thank you.

MR. CHAIRMAN: Thank you. I believe the comments have been made from all sides of the House. It's interesting that it impacts on members from all sides of the House today, so I suppose the Chair should have a motion to move.

MR. DOYLE: Point of clarification, Mr. Chairman. Am I to understand that if the motion goes through to overrule the Chair on his most amiable decision, resolutions 24 to 28 would also be debated this morning?

MR. CHAIRMAN: If the motion that we proceed comes through and is passed, then we would proceed as they're written, and colleagues can move on their behalf. That would be the process.

Member for Three Hills, is there a problem with that?

MRS. OSTERMAN: No. I was going to make a motion, Mr. Chairman.

MR. CHAIRMAN: Okay. Thank you.

MRS. OSTERMAN: Mr. Chairman, I would move that we proceed with the order of business as outlined on the paper, draft 7, which gives us the recommendations to be dealt with by this committee as intended when we adjourned yesterday.

MR. CHAIRMAN: Thank you.

Any further discussion on the motion?

HON. MEMBERS: Question.

MR. CHAIRMAN: The question has been called. All those in favour of the motion, please signify. The motion carries. We'll proceed.

The Chair calls recommendation 22. Is there a member who wishes to move the motion for the member?

22. On behalf of Mr. Ewasiuk, Mr. Doyle recommended that the proposed investments of the Alberta Heritage Savings Trust Fund individual projects be subject to approval from a full and public environmental impact assessment process.

Does the member wish to initiate debate?

MR. DOYLE: Mr. Chairman, as I raised in resolution 21, it is my feeling and the feeling of our caucus that before any moneys from the Alberta heritage trust fund be invested in any venture, those moneys should be invested through a proper and complete environmental impact assessment process for public inquiry, where all Albertans can have input into the investments of the royalties from the oil companies through the Alberta heritage trust fund that indeed belongs to the people of Alberta. It's fair; it's the honest way of spending taxpayers' money in the province.

MR. CHAIRMAN: Thank you.

The Member for Ponoka-Rimbey, followed by Edmonton-Meadowlark.

MR. JONSON: Mr. Chairman, I just wish to raise two concerns. First of all, as I indicated with respect to recommendation 20, the government has passed legislation covering projects in the province, be they those utilizing money from the Alberta Heritage Savings Trust Fund or from the general revenue of the province or private investment. That is contained in the legislation surrounding the Natural Resources Conservation Board and its activities. Secondly, one of our major tasks in the spring session of the Legislature will be that of further dealing with a new environmental protection Act. We should not ignore the fact that there's also environmental legislation in place which we want to improve, but it nevertheless deals with these sorts of situations.

11:22

The second concern that I wanted to raise is that – perhaps it's a technical matter – there are many types of projects which once again, as I said with respect to item 20, are hard to envision as requiring an environmental impact assessment. Perhaps a project might be approved to provide, as it has been recommended at one time or another in the past, additional library books for the libraries of the province, or perhaps the project that is being put forward by the Member for Athabasca-Lac La Biche, whereby there would be a mapping and land use study done. Therefore, I have some difficulty with the wording of the recommendation.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, I have difficulty with the wording of the recommendation. Certainly it is a laudable sentiment that projects in which the Alberta Heritage Savings Trust Fund invests should be subject to environmental impact assessment scrutiny in a general sense. When you attempt to analyze and understand what this particular motion means, it's exactly as Ponoka-Rimbey says. Are we going to do an environmental impact assessment on Rutherford scholarships to students because that's a project with environmental implications? Please. I believe that this motion is in a sense attempting to appeal to people's feelings about environmental impact assessments but hasn't been construed in a particularly responsible and practical way. Everybody believes that environmental impact assessments should be done wherever there are environmental implications, but if we're going to vote for this kind of proposal, then in a sense we're voting for something that doesn't make very much sense.

MR. CHAIRMAN: Thank you.

Does the Member for West Yellowhead wish to close debate?

MR. DOYLE: Thank you, Mr. Chairman. I listened closely to the Member for Ponoka-Rimbey, and indeed the new committee that's set up will be addressing many of these issues. This recommendation speaks only to the investments of the Alberta Heritage Savings Trust Fund. It's very clear to me from listening to the member from the Liberal Party that they really don't care whether there's an environmental assessment done or public inquiries.

MR. MITCHELL: Point of order, Mr. Chairman. You know . . .

MR. CHAIRMAN: Hon. member, you really can't do that. You're imputing motives, and it's prohibited in the House rules, so you just . . . Thank you.

MR. DOYLE: Thank you, Mr. Chairman, for correcting me on my ability to debate that. I was responding to remarks that I picked up from a member that . . .

MR. CHAIRMAN: Hon. member, please proceed with your comments.

MR. DOYLE: Mr. Chairman, the Member for Edmonton-Beverly's resolution is one that would assure the investments of the heritage trust fund would be assessed prior to any funds given out to certain projects. I'm sure some members would wonder why there would be a public inquiry or an environmental assessment done that might leak that perhaps some company would be getting some investments from the heritage trust fund. Indeed, this committee should know in advance whether moneys are going from the heritage trust fund into ventures such as developments on our public lands.

So I'd hope members of the Legislature would support the recommendation from the Member for Edmonton-Beverly.

MR. CHAIRMAN: Thank you.

Recommendation 23. Has anyone been designated to move that motion on behalf of the member? The Member for West Yellowhead.

23. On behalf of Mr. Ewasiuk, Mr. Doyle recommended that financial investments of the Alberta Heritage Savings Trust Fund be made or retained in those companies which follow or practise sound environmental policies and activities.

MR. DOYLE: Mr. Chairman, again, before the investments of the Alaska Permanent Fund are made, that fund indeed has a practice that they follow so that their investments are made on very sound environmental policies and activities. I would hope that the heritage trust fund would follow not all the examples but many examples of the Alaska Permanent Fund to make sure that the investments of the Alberta Heritage Savings Trust Fund are spent on environmentally sound developments and on very sound environmental policies and activities within the province of Alberta.

MR. CHAIRMAN: Thank you.

The Member for Wainwright on a point of order.

MR. FISCHER: No; on 23.

MR. CHAIRMAN: Oh, you're going to move recommendation 24 for the member?

MR. FISCHER: I want to speak on recommendation 23.

MR. CHAIRMAN: Oh, okay. Thank you. I'm sorry. The Chair recognizes the Member for Wainwright, followed by Edmonton-Meadowlark.

MR. FISCHER: Thank you, Mr. Chairman. This particular recommendation is certainly a kind of motherhood statement. Naturally, we all want to have sound environmental practices in this province. I don't think there's anyone in this province that doesn't want to practise environmental protection.

I realize this motion is there to try and protect our environment, but it looks to me like we then want to set up another watchdog bureaucracy to define what sound environmental practices are. Surely to goodness, when we already have the Department of the

Environment policing and defining "sound environmental" and penalizing if people don't follow those practices, why would we set up another bureaucracy to define what an environmental practice is? Are we going to put some money into something and then when someone determines that this isn't quite right, we're going to withdraw our money? Is that what this motion is saying, that we're going to withdraw our investment if we don't come up to the heritage fund's standards? We do have the highest environmental standards in the world now. We have it policed. We have enough legislation in place already to determine this.

I can't for the life of me see why we would want to put people through another set of bureaucracy. Certainly that would be the most discouragement to investment that you could ever do. We would never be able to get people to come into this country if we're going to put them through more and more environmental hoops. We want to do it once, and we want to do it right. I don't think we need to have another set of inspectors out there telling you whether or not you have a sound practice. What is a sound environmental practice? Driving your car to the workplace of that company, putting out your carbon dioxide and burning a hole in the ozone layer: is that sound environmental practice, and should we shut those people down because of that? Or raw sewage in the rivers and whatever people do personally with their personal sewage and that: is that sound environmental practice?

I just think that we would be already duplicating what we have in place now. We have enough protection without doing it. On that basis I would strongly urge the members to vote against this motion.

11:32

MR. MITCHELL: Mr. Chairman, I share some concerns with the Member for Wainwright on this particular motion. I believe that its general sentiment is probably worthy of support, but one has to be concerned about the manner in which it has been written and about what it in fact means.

I think that a very good question can be raised. Is the member saying - and it would be nice to hear a yes or no to this - that the heritage trust fund should withdraw its investments in Syncrude, in the Alberta oil sands technology research, for example? One definition would say that that kind of economic pursuit is not environmentally sound. It begs the question, therefore, of how do you define "environmentally sound"? This particular motion doesn't define "environmentally sound" in any kind of practical or usable way. It's one of those motions that I guess expresses an important sentiment: yes, we must be very, very concerned, in a way that this government hasn't been, about the environmental implications of projects which it either invests in or promotes or supports in one way or another. But, at the same time, I think that the wording of this particular motion implies a certain naiveté about these processes, which raises some concerns.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Mountain View, followed by Three Hills.

MR. HAWKESWORTH: Yeah, thank you, Mr. Chairman. Well, the only naiveté is in the idea that you have a heritage fund and the only heritage we leave our future generations is polluted air and polluted water. If there's any naiveté in thinking that that's economic development for our province, then we're simply saying that if we're going to pass something on to our children, which is what I think the notion of a heritage trust fund is about, then let's ensure that the environment we pass on to our children is clean as well. If that's naive, then let's have more naiveté.

MR. CHAIRMAN: Thank you.

The Member for Three Hills.

MRS. OSTERMAN: Well, Mr. Chairman, in addressing the remarks already made, I would say that the Member for Edmonton-Meadowlark as well as the Member for Wainwright summed up some of my comments, in that we absolutely must have a sound environmental policy, but surely we don't need two bodies setting rules as to what that sound environmental policy should be. All of us have the opportunity sitting in this Legislature to debate the legislation that sets the guidelines for how the environment will be addressed in this province.

We to some degree address the principles of this motion by looking at recommendation 2, when the hon. member suggested there that our investment should be directed "toward Canadian and Alberta companies that conduct business in an environmentally sound and healthy fashion." I don't believe that we should be investing any money in Alberta in companies that run afoul of our environmental legislation. But that legislation is in place and is being enforced, and indeed there will be new legislation. If you would carry this not in a naive way but as a matter of principle, I think the hon. member, especially the hon. Member for Calgary-Mountain View, must then look at the total heritage fund. The total heritage fund also encompasses investment in the Municipal Financing Corporation. Now, the Municipal Financing Corporation lends money to literally all municipalities in this province. Surely, in that case, we would not lend money to the city of Edmonton, who in fact have been running afoul of environmental legislation. That would just have to cease.

MR. MITCHELL: Or the city of Calgary.

MRS. OSTERMAN: The city of Calgary as well, whatever communities have not got their act together environmentally. If we're going to be talking about sewage that goes into the North Saskatchewan River or the Bow River, or whatever problems we have had, then we're going to have to look at where the lending that indeed comes out of the heritage fund is done. I would say, Mr. Chairman, that if we're talking about shutting down the lending, the moneys going to those entities, that surely flows from this motion, and I don't believe that anybody sitting in this committee would see that harsh a move at this point in time. We are trying to give communities the time to clean up their act and put their resources where surely one of their first priorities should be, and that's on the environment.

Mr. Chairman, I would say that this is just unworkable, while the sentiment is one that we could all agree with. We will want sound environmental practices throughout Alberta, whether it's a heritage fund investment or not. It is not a workable recommendation in my view.

MR. CHAIRMAN: Thank you.

If there are no other speakers, does the member wish to close debate on it?

MR. DOYLE: Thank you, Mr. Chairman. Indeed, there was some good debate that I listened very intently to from all members beside me and behind me. I listened very closely to the Member for Wainwright when he said something about setting up another bureaucracy. It certainly is not the intent of this motion to set up any other bureaucracy.

The intent of this motion is to see that the funds from the Alberta heritage trust fund are spent on sound practices with good environmental policies and activities. Those committees are

already in place, but they should be reviewing these projects before the money goes into them. Much of this money was put into the funds, and then the companies were allowed to pollute, including our rivers, our air, our fish, and our bird life. It's a sound recommendation to ensure that all funds from the Alberta heritage trust fund are invested in a very sound, environmentally friendly way. Indeed, many dollars have been spent on a mill that the environmentalist panel said should not be built, and then another panel was appointed to railroad the thing so that it would go ahead.

Mr. Chairman, either we believe in the environment or we don't believe in the environment, but this government is not paying much attention. They overruled the plans of many environmental studies, such as some communities that did not want to put their sewage in the river. They overruled those panels and went ahead and put the sewage in the river in my day as a municipal councillor, and I'm well aware of this. It was the government that overruled the local people, not the local people that wanted to put sewage in rivers. So where that money from the Municipal Financing Corporation came from, this newfound fund that all of a sudden the government finds so much money in that they obviously pretend they didn't know about - the Municipal Financing Corporation, by funding local municipalities, allows those local municipalities to make those decisions about where they invest it.

MR. CHAIRMAN: Hon. member, the Chair is really having some problems with where you're straying on the recommendation. Please come back to the recommendation.

MR. DOYLE: Mr. Chairman, the Member for Three Hills was allowed to raise the Municipal Financing Corporation. Indeed, the Municipal Financing Corporation gives the money to local municipalities so that they can make the decision whether they feel it's environmentally friendly. If they agree to do it in an environmentally friendly way, indeed they do it that way. Most local municipalities are on side with the Official Opposition that things must be done in an environmentally friendly way.

I would hope that all members of the committee would support recommendation 23 on behalf of the Member for Edmonton-Beverly.

11:42

MR. CHAIRMAN: Thank you.

Recommendation 24. Is there a mover? The Member for Ponoka-Rimbey.

24. On behalf of Mr. Gesell, Mr. Jonson recommended that the Alberta Heritage Savings Trust Fund capital projects division consider investment of research funds to determine the best possible environmental and technical parameters for individual sanitary sewage disposal systems.

MR. JONSON: Yes, Mr. Chairman. On behalf of the Member for Clover Bar, I would like to speak to this particular recommendation. First of all, I wish to refer committee members' attention to recommendation 28. The reason I do so is that this is a recommendation which was passed by this committee last year, and I think it gives the background or the support for what is once again being proposed by the hon. Member for Clover Bar in recommendation 24.

Mr. Chairman, this particular area of environmental concern is one that does not get a great deal of attention in the overall debate that occurs on environmental matters. Nevertheless, the number

of individual sanitary sewage disposal systems in the province is expanding very rapidly. There are parts of the province, including a large area within the member's riding, that have a concentration of such facilities. We might think that somewhere down the road all parts of the province will be served by comprehensive sewage systems with centralized treating facilities and so forth, but this is not likely to be the case for some decades to come.

It is the feeling of the member introducing the motion that this whole area of disposal of waste needs to focus some attention in terms of there being research into making sure that we have the best possible technology, that we have complete knowledge about how these systems are working and to what extent they may or may not be harming the environment beyond their location. It was felt that this would be a suitable investment from the Heritage Savings Trust Fund to protect parts of the province in the future.

MR. CHAIRMAN: Thank you.

Other members wishing to speak to that recommendation? The Member for Lacombe, followed by Edmonton-Meadowlark.

MR. MOORE: Thank you, Mr. Chairman. Well, I agree with the mover of the motion that it is a problem out there and that it doesn't get the attention it deserves. It may be growing in some areas where there are a lot of acreages; that is recognized already by other departments of government.

I feel that utilization of heritage trust fund dollars for this purpose is not justified here. It's not justified, Mr. Chairman, for this reason. Environment and the Department of Health through the local health units are very much involved in this whole area: the approval process and also where they have closed down these systems. They are continually examining them and reviewing them, checking the soil, checking the groundwater. I don't know what more the information and research can bring out that has not already been undertaken or understood by those two departments and the experts they have working in the field. They have now got very stringent rules in place before you can put in an individual sanitary sewage disposal. The limitations are on it so that in no case should there be any danger to the public. They make certain that the groundwater is protected. They make certain that there's no contamination around the sites.

As well meaning as this motion is, I'd think that we'd leave it to those that are working there instead of using heritage trust fund dollars to research what is already known and already under control.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to say that this is a good idea, that it's worthy of the committee's support, and that I will be supporting it.

MR. CHAIRMAN: Thank you.

Does the Member for Ponoka-Rimbey wish to close debate?

MR. JONSON: No. I've made my statement, thank you.

MR. CHAIRMAN: Thank you.

Recommendation 25: is the Member for Ponoka-Rimbey prepared to move it?

25. On behalf of Mr. Gesell, Mr. Jonson recommended that the Alberta Heritage Savings Trust Fund investments for the

individual line service be recovered from future sales of fund-held Telus shares.

MR. JONSON: Mr. Chairman, I accept the challenge of speaking on behalf of the Member for Clover Bar with respect to this particular recommendation. I have to admit, and in no way am I wishing to reflect upon the Member for Clover Bar, but I have difficulty understanding the recommendation, and if there is another member that can articulate this better, please do so.

However, what I think is intended, Mr. Chairman, is that if and when there is a future sell-off of more of the Telus shares currently held by the government, and assuming that there would be a profit on those sales, then that profit should be placed in the Heritage Savings Trust Fund to offset the moneys that have been spent on individual line service throughout Alberta over the past I believe it's 10 years. I think the Member for Clover Bar would feel that this is an appropriate thing to do. The Heritage Savings Trust Fund through its debenture holding and so on in Telus has supported a very worthwhile project, and with the goal of replacing the money that has been spent on this particular capital expenditure, the profits from the Telus sale should be directed in this particular direction as a priority.

MR. CHAIRMAN: Thank you.
The Member for Three Hills.

MRS. OSTERMAN: Mr. Chairman, while this recommendation is very specific, I think that it really moves us to look at the larger question. As I understand it, the member proposing the motion is really wanting to keep the heritage fund more whole, if you will. When you see investments coming out of the capital projects division, of course, that money is not available for investment and making a monetary return that can eventually be used as is now done through the General Revenue Fund. So I guess we could take a look at the whole list of investments made in the capital projects division and say to ourselves, "Do we believe that we now must address the major principle of restoring the dollars at some point in time that are utilized under that capital projects division?"

I believe that this motion is not one that should be passed as is. I believe that the motion itself should have been addressing not in an ad hoc way but in a very large way the principle of whether or not we agree with the capital projects division and, in fact, should be looking at that division and redebating the value of it and whether or not in future we make investments that eventually will see the dollars returned.

11:52

We have a very simple procedure in place at this point, Mr. Chairman. There has been a loan debenture to Alberta Government Telephones, and there is an expectation that that capital will be returned along with the interest that the debenture bears. It's a very simple choice of an investment instrument to return dollars to that area. I don't see it being linked to the sale of Telus shares, because we do not have that kind of investment in Telus. The incremental value of the shares that may be there, that we hope will be there not only for all Albertans but for Albertans' shares that are held by government: we hope that there will be an incremental value from the time that the value was struck until if and when they are sold. That incremental value, as in other cases, will go to the General Revenue Fund.

If we are to change that process, I believe that we should have a debate on the philosophy behind the capital investments and do it in that manner rather than debating one single particular item here that the hon. member is interested in. Mr. Chairman, I would

like to see a debate on that issue as a whole, probably more properly done by looking at the motion that I like to keep going back to that has been proposed by the hon. Member for Calgary-Fish Creek. That, I think, is absolutely vital. All you have to do is look at all the recommendations that are made right throughout the paper, and I suspect that a high percentage of them really would be dealt with by having a major review of the fund, as the hon. member has suggested, instead of us ad hoc'ing our way through a number of items that we're presently doing.

MR. CHAIRMAN: Thank you.

Does the member wish to make any closing comments?

MR. JONSON: No, Mr. Chairman.

MR. CHAIRMAN: Thank you.

Recommendation 26: do we have a mover on behalf of the Member for Clover Bar?

MR. JONSON: Mr. Chairman, I would like to suggest that I am prepared to speak to this motion on behalf of the Member for Clover Bar. However, it is a major topic. I'm sure there's going to be a great deal of debate, and rather than see that debate interrupted midstream, I would move that the committee adjourn until this afternoon at 2.

MR. CHAIRMAN: Thank you.

All those in favour of the motion? The motion is carried.

[The committee adjourned at 11:55 a.m.]

