

10:02 a.m.

Tuesday, October 30, 1990

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call the meeting to order and welcome the Hon. John Gogo, the Minister of Advanced Education, and his deputy with us this morning. We appreciate them appearing before the committee, and we look forward to the information that will be forthcoming from them to the committee.

Prior to moving into that portion and having the minister give some opening remarks, do we have some recommendations to be read into the record from the members? The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I do have a recommendation this morning to read into the record, and that is

that the current value of the fund be maintained in 1990 real dollars by reducing the interest transferred to the General Revenue Fund by the amount expended on new initiatives and lost to inflation, until such time that oil industry revenue is again flowing into the fund.

MR. CHAIRMAN: Thank you. Any others? The Member for Wainwright.

MR. FISCHER: Thank you. My recommendation is that whereas royalty exemptions under the terms of the Alberta Crown Agreement which took into consideration the results of low oil prices and the capacity added expansion project should expire this year, resulting in increased revenues to the General Revenue Fund, the net profits from Syncrude be exempt from section 4(2) of the heritage trust fund Act, which states that net income of the fund shall be transferred to general revenue. This would allow Syncrude's net profits to be returned to the Alberta heritage trust fund.

MR. CHAIRMAN: Thank you.
The Member for Calgary-Fish Creek.

MR. PAYNE: Be it resolved, Mr. Chairman, that commercial investment division policy be consistent with the heritage fund objective of strengthening and diversifying the economy of Alberta.

MR. CHAIRMAN: Thank you. Are there any others? Thank you.

I would remind the committee that there was a motion passed that 4 p.m. this Thursday, at our afternoon meeting, would be the final time for acceptance of recommendations to be submitted to the committee. Just so that everyone is reminded to have them in by that time.

We'd now like to turn to the minister and ask him to make some opening remarks, and then we'll move to the questioning portion of our committee meeting this morning.

MR. GOGO: Thank you very much, Mr. Chairman and members of the Alberta Heritage Savings Trust Fund select committee. I'm pleased to have with me today the deputy minister of the Department of Advanced Education, Mrs. Lynne Duncan, who many members, I'm sure, are familiar with in terms of her involvement with the department.

In coming before the committee, Mr. Chairman, and looking at the annual report, my responsibility, which is on page 27, really only deals with the Alberta Heritage Scholarship Fund.

That fund, as I'm sure members are aware, was established 10 years ago in 1980. When we entered the '80s there were a variety of things established. Members will recall the endowment fund; they'll recall the other actions of government with regard to activities to be funded out of the heritage fund, but primarily, and this is the area of my responsibility today, the Heritage Scholarship Fund.

Mr. Chairman, there are releases going out today that members will have, and I'll simply mention this because they deal with the heritage fund. We have within the scholarship fund a variety of programs. Many members are familiar, I believe, with the following two. These announcements were released this morning. The first one concerns the Rutherford scholarships in recognition of the first Premier of Alberta. The scholarships are on a merit basis, as are all scholarships, and those achieving a certain average in grades 10, 11, and 12 in the high school system are recipients of these. There are some 4,500 high school students who this year will have received in excess of \$5 million. In terms of the detail, in case members are interested: since 1981, which was the first operating year of the scholarship fund, over \$45 million has been paid out to some 41,000 high school students in recognition of their dedication to academic excellence. They're awarded on the basis of anybody achieving an average of 80 percent in designated subjects in grades 10, 11, and 12, and the dollar amount goes to a maximum of \$1,500.

At the same time, Mr. Chairman, we're announcing today the Louise McKinney scholarships in recognition of that very famous Albertan. This year we've paid out in excess of \$2.3 million to over 700 postsecondary students. That would be in the college and university sectors. They make a major difference, obviously, to many Alberta students in pursuing higher education. To date in excess of \$23 million to over 7,000 students has been paid. They're paid in the amount of \$3,000 for certain students in the undergraduate college level; postsecondary students in professional schools receive \$6,000, and they would include people in faculties such as dentistry, law, medicine, optometry, and veterinary medicine. I thought it was particularly important that those were news announcements by me today, Mr. Chairman, in recognition of the fact that today is the day I'm before this committee.

Mr. Chairman, since 1981, which as I said was the first year in which the \$100 million endowment fund was put to work, I think it's made a very significant difference to tens of thousands of Albertans. To date there has been paid out of that fund in excess of \$78 million. When one recognizes the number of awards - there are publications put out by the Students Finance Board, and the pages of awards other than the scholarship fund go to 51 - there is a tremendous number of awards given on the merit principle to Alberta students. I think that's in recognition of the citizens of Alberta whose priority has been educational excellence over many years. To date, including today's announcement, there have been over 55,000 Albertans in receipt of those awards.

I think the key factor to remember, Mr. Chairman, is, number one, that the scholarship fund is administered not by this minister and not by this department directly but by the Students Finance Board, and that's a board which consists of a cross section of Albertans appointed to that board to develop policies which are in the best interest of students.

I would point out that we saw the conclusion recently of a total review of the Students Finance Board. Many players were involved in that process. Certainly the hon. Member for Ponoka-Rimbey and his committee were major factors in

assisting me as minister in policies that were eventually agreed to as recommended by the Students Finance Board itself.

Very quickly perhaps, Mr. Chairman, I should add some details of the fund. When the fund was set up, it was, I believe, at that time – and to my knowledge it has not changed, and I'm not recommending it be changed – that the corpus of the fund should always remain at about a hundred million dollars in purchasing power based on 1980. Anybody who has followed CPIs or any cost-of-living index recognizes that many things have taken place in terms of inflation over the years, so the fund has really had to grow in order to maintain the buying power of 1980. The amount able to be taken out of the fund, which runs about \$10 million a year, was projected to be at about 5 or 6 percent a year over the long term. I say over a long term; I probably think in terms of a generation or two. So the fund has been able to pay out in the neighbourhood of about \$10 million a year to the recipients of the various scholarships, which would be currently about 5 or 6 percent of the fund in terms of a percentage of the value of the fund.

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I think it's very significant, Mr. Chairman, that although the tendency certainly for politicians and others is to attempt to reward at certain periods of time various groups of people, politics has never ever played a role. I have before me by constituency the amount of funds paid out in every constituency in this province, and it recognizes that Albertans are treated equally based on merit when it comes to scholarships. There's been no preference shown to any constituency, but the principle of those who earned the award have received the award. It's projected that in the current fiscal year there will be some 7,400 Albertans receiving awards, which will amount to in excess of \$10 million.

Before I conclude and answer questions, Mr. Chairman, it may be helpful to hon. members if I very quickly go through the scholarships that are available. I've already mentioned the Rutherford scholarships; they're for high school students. We didn't get into the Louise McKinney scholarships which, as I mentioned, are \$3,000 for undergraduate and college students, \$6,000 for professional school students. They've got to go through a variety of hoops, obviously; there are committees that decide. In some cases, institutional presidents recommend names. Members may have questions in that regard.

We then have the Sir James Loughheed Award of Distinction which is, one would think, fairly rich. They're only for graduate level programs; they're \$10,000 at the graduate level, \$15,000 at the doctoral level. Recommendations are made by a committee, and the committee is appointed by, appropriately enough, presidents of the institutions involved, which are the universities and the Banff Centre. That committee makes recommendations to the Students Finance Board, and the board then makes the decision.

That same committee, nominated by those people, also makes recommendations for both the Steinhauer award, after the late Ralph Steinhauer, and the 'Wop' May or Wilfrid May, the pioneer in aviation, award. In the '89-90 fiscal year, Mr. Chairman, a total of 25 students received awards under this program: in excess of \$300,000. In the current year, 1990-91, there are some 25 receiving awards: over \$300,000.

Since the program started – and these figures may appear to be very startling, Mr. Chairman – under the Loughheed Award of Distinction there have been some 220 recipients receiving an aggregate of just about \$3 million, and that's in the years 1981-90.

As I mentioned, the Steinhauer award is very similar, the difference being that with the Loughheed award you can study anywhere in the world. With respect to the hon. Member for Edmonton-Centre, one can go to Harvard, if one can make the grade, and have access to either the \$10,000 or the \$15,000. I think that's a significant contribution not only to the student – if one can bear with my old-fashioned thinking that anybody who's in the school system, be it the postsecondary system or otherwise, is referred to as a student – to pursue his or her studies anywhere in the world, but I think it does a tremendous amount for the reputation of this province in the fact that we have students able to go across the world based on merit and not be financially embarrassed in terms of having access to funds.

For the Steinhauer award – after the late Ralph Steinhauer who was, as you know, Mr. Chairman, Lieutenant Governor of this province – the figures are exactly the same except it's only for students coming into this province. The Steinhauer awards are not allowed to be used unless it's within an institution in Alberta. They are the same amount: \$10,000 for graduate and \$15,000 at the doctoral level. In '89, the year just past, there have been 23 students, again approaching about \$300,000; the current year, 25 students, and that amount is in excess of \$300,000. But again, Mr. Chairman, since the program was initiated with total expenditures of \$78 million, over 3 percent of those were for the Steinhauer award alone, which is a total of \$2.6 million to 209 students.

The Wilfrid R. 'Wop' May Scholarship for Career Development is a little different in that you must have been employed in Alberta for at least three years and plan to take graduate-level training.

I think members may be getting the picture, Mr. Chairman, that not only are these scholarships on the basis of merit but they recognize several factors: one, students who wish to pursue matters of excellence in education anywhere in the world; recognition of people who wish to take those programs within Alberta; and finally, people who, for a variety of reasons, have been outside the educational system for a minimum of three years in the workplace, who decide then to go back to either graduate or postgraduate studies.

The 'Wop' May total has been in the past year a dozen students: \$150,000 in aggregate. The current year is another dozen students, and it will be, as well, \$150,000. But again, since '81, it's been \$1.2 million, and it's affected 104,000 Albertans.

Mr. Chairman, we then get to the Luchkovich awards. These are dealing with career development scholarships and provide significant funds, which I'll respond to if there are questions.

The Condon awards, which are in recognition of the athletic attributes of Mr. Jimmie Condon, are \$1,000.

The Charles S. Noble is perhaps one of the most exciting awards programs we have. The inventor of the Noble blade in southern Alberta I think is well known to many. It provides for studies at Harvard. Again, those scholarships are \$10,000. We've paid out in each year an aggregate of \$82,000 to 17 recipients. But the Noble award provides really for categories: recognition of hockey, recognition of festival scholarships, and recognition of student leadership. The aggregate of all those programs, Mr. Chairman: there have been over 50 people who have received those, and it's about \$100,000.

The Percy Page award, which I think has had a fair amount of discussion in this committee in past years, honours the eighth Lieutenant Governor of Alberta. Those awards are given in amounts up to \$3,000 to amateur coaches, officials, and other

dedicated volunteers to further their training anywhere in the world.

The Haultain Prize, which is given to three outstanding Albertans each year – the photographs of the recipients this year are contained on page 27 of the annual report, Mr. Chairman – is recognized after Sir Frederick Haultain from Fort Macleod, who, as the members know, was the leader of western Canada in terms of the territories for many years. That award consists of \$25,000, and it recognizes people in three distinct fields: first of all, fine, applied, or performing arts, social or physical sciences, and education or the humanities. The recipients – I don't know whether people recall. It may be beneficial, Mr. Chairman, to very quickly go through; it would only take me a moment. Well, I won't even go through it; I'll wait in case there are questions, because the list is nine years long, which means there are 27 recipients. I would point out that the winners have been from across Alberta traditionally. This past year they've been from the urban centres of Edmonton and Calgary. But of particular note here are Dr. Tommy Banks, the latest recipient of an honorary degree at the U of A and well-known composer and orchestra leader, and others in the sciences: Dr. Don Robinson from here in Edmonton, and finally, Dr. Shirley Stinson from Calgary, who's a PhD under the humanities.

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Having said that, Mr. Chairman, I'll just close with the following comments. The program that was instituted I thought for the decade of the '80s along with other programs under the heritage fund clearly was put in place for recognition of merit by students in a whole wealth of disciplines and intended to last in perpetuity. To date we've had a total of 48,000 awards in terms of accumulation. If you add up the names of all recipients since the program started, they're approaching 8,000. The latest year we paid out almost \$10 million. This year we plan on paying out \$10 million. So by March 31, 1990, assuming our figures are all accurate, the total aggregate has been: 55,600 Albertans have received in the aggregate \$78,361,000. So I would say we can be extremely proud of what we've done over the past nine years. This year, all matters being equal, to March 31 we'll have paid out for this year alone \$10,100,000 to 7,412 Albertans.

With that, Mr. Chairman, perhaps I could conclude. Unless the hon. deputy beside me has any comments to add to my opening comments, I would entertain questions by the committee.

MR. CHAIRMAN: Thank you. Just prior to recognizing the first question, the Member for Calgary-Fish Creek has brought to the attention of the Chair that he'd like to make an amendment to the recommendation he read into the record earlier. So I'll recognize the Member for Calgary-Fish Creek to do that now.

MR. PAYNE: Mr. Chairman, I appreciate this opportunity, and I hope that it doesn't offend the members of the committee.

You will recall at the beginning of our meeting today that I read into the record a resolution to the effect that commercial investment division policy be consistent with the heritage fund objective of strengthening and diversifying the economy of Alberta.

With the forbearance of the committee I would like to add the words

and that investment priority be given to those companies whose operations achieve that objective.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.

I recognize the Member for Edmonton-Centre, followed by the Member for Calgary-Foothills.

REV. ROBERTS: Thank you, Mr. Chairman. Welcome to the minister and his deputy. They have much to be proud of by presenting what they have already this morning in terms of the Heritage Scholarship Fund. It is a terrific achievement, one of which I think we can all be proud. I'm glad to see the minister managing it so well.

However, let's get into some questions that I'd like to pursue. I think the first one, being in the area of the minister's own concerns – he shared with many of us about how to, in a sense, inflation-protect this Heritage Savings Trust Fund. As it pertains to the scholarship fund program just outlined, I've been trying to work with my calculator here just to determine. If we had \$100 million set aside in 1980 dollars – the minister cited a 5 to 6 percent CPI factor over that 10 years . . . The last line of the handout – I do appreciate this information which was sent to us last week – says: "The Fund has a current value of approximately \$173 million." So it has in fact increased by \$73 million over that period in addition to having spent out \$78 million over that 10-year period. Again, I'm sorry; I should have done more homework in advance of all this to know. In the minister's opinion, if we were to have inflation-protected this fund, how would that change where we currently are in terms of the assets that haven't been paid out or what the current value of the fund should be?

MR. GOGO: Mr. Chairman, it seems to me that the original intent of the fund was to always be able to maintain the fund at such a level that approximately \$100 million would be protected and that we could draw 5 to 6 percent of its current value at any given year from the fund. I would guesstimate – I don't have specific information, although I've got reasonably good information; the deputy may correct me – that based on 1980 dollars the fund today is worth about \$105 million. In current dollars it is \$175 million to \$178 million, but based on 1980 dollars I think it would be in the neighbourhood of about \$105 million, which would recognize the creators of the fund in terms of establishing \$100 million. There would always be \$100 million there. Is that approximate, deputy?

MRS. DUNCAN: That's approximately.

MR. GOGO: In other words, the fund has grown to today's dollars, so it's been protected for reasons of inflation. If you were to look at 1980 and took a discount or whatever – I'm sure the Member for Edmonton-Meadowlark already has this figured out – you would find that that \$178 million is in 1980 dollars probably \$105 million to \$106 million. So I'm comfortable in protecting the corpus of that fund at its 1980 purchasing power, allowing it to pay out based on the 5 to 6 percent level, which is \$10 million a year, by the way, at the current value. I'm comfortable with that.

If the question, Mr. Chairman, is, "What about the students? – they haven't been inflation protected," that's another question.

MR. CHAIRMAN: Supplementary?

REV. ROBERTS: Okay. We'll try to get into that.

One thing I wanted to pursue – it isn't quite on that mark but just off a bit here – is with the 55,600 recipients of these

moneys. I know that's a lot of people, but has any effort been made to in a sense track the careers of some of these students, to know in fact whether they still reside in Alberta, whether they are contributing to social or corporate or community life in the province, what sort of return? I recall with moneys I have been given that in fact I was a bit of an indentured servant. I was given moneys for a time but had to then come back for three years and work and pay that back in a sense. Not that I want to get to that point necessarily, but do we have a sense of how Alberta has benefited by students coming back in their careers?

MR. GOGO: That's an excellent question, Mr. Chairman. You know, the Member for Edmonton-Centre uses the word "indentured." In no way could anybody knowing the hon. Member for Edmonton-Centre ever construe his being indentured to anybody. It's interesting he raised it, but I think that's an excellent question. If one looks at the postsecondary system in Alberta, the \$4 billion in assets we have, the billion dollars a year it costs to feed the system, and the people who access it with, frankly, very low tuition fees, you've got to ask yourself the questions: where do they go, and who do they serve?

As members may be aware, we've completed a review of the Students Finance Board. As minister I've ordered about six reviews within the department going all the way from Students Finance Board to residences to formula funding to a whole host of things, not because I want to make the deputy work or cause people work, but I think that after each decade one should review very closely the various policies. So I'm in the process now, Mr. Chairman, of ordering a review on the scholarship trust fund. I wouldn't intend that being done within the department. I think that's got to be done by external people so there's a very objective point of view. I'm not bad-mouthing anybody within the system, but I think the Students Finance Board is to administer it; I don't think the Students Finance Board should necessarily develop the policies for it. I would like to see an external person do that.

It's an interesting question, and I think that one of the terms of reference for reviewing the scholarship fund is how Alberta has benefited from that program; i.e., has a student with the Lougheed scholarship who has gone to Harvard returned to Alberta? Should that person return to Alberta? More importantly, putting aside the parochial view of the benefit to Alberta, how has the student benefited? I think that's a very excellent question, Mr. Chairman, and that would be one of the terms of reference in reviewing the scholarship fund.

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REV. ROBERTS: Well, we'll wait for some further evaluation of that, then, with anticipation.

Actually, all three of these questions I'd like to pursue on their own, but I did just want to cover some bases here. My last one covers, in a sense, another base which has again to do with how proud we can be in terms of public dollars through the trust fund supporting the scholarship program. In the minister's view, is this complementing or taking the place of what private-sector dollars should be coming forth in order to support scholarship programs for our students as well? Again from my own experience, I as a democratic socialist have received public moneys to further my education but also private moneys from the Rockefeller Foundation, Mellon Foundation, and others, which have taken their fair share of supporting our young people and our students in their educational efforts. I'm not aware in Alberta of the degree to which the corporate sector, whether it

be Nova or corporations that make a lot of money of Alberta, puts aside moneys for scholarships. In that mix of public and private funding for scholarships, I'm just wondering if the minister is satisfied that this fund is complementing private-sector funding, or is it in a sense taking the place of it?

MR. GOGO: Mr. Chairman, frankly, I don't have the answer to that, although it's well known that Harvard has a foundation of about \$4 billion. The three or four most successful, most recognized, most quoted, best contributors to who's who in America come from Princeton, Harvard, and so on, all private institutions, it's interesting, and not public institutions. I just make that as an observation.

Looking at the hon. member's question of matching and so on, I have in front of me, Mr. Chairman, the awards and scholarships of postsecondary institutions in Alberta. In that little community in southeastern Alberta called Medicine Hat – the Deputy Premier wouldn't necessarily appreciate that – I look at one, two, three, four, five, six pages of scholarships from the private sector, contributions to Medicine Hat College alone. Pardon me; there's a student association one there. Well, it's their money; that's private I guess. Now agreed, the amounts range from \$1,000 down to \$500, but that's a very significant number of contributions to Medicine Hat College alone.

Now, if one were to go through the whole book – I'm sure one could look at U of A and it would maybe be overwhelming. I would think there would be the oil industry and so on. I'm sure the upgraders, for example at Lloyd, will end up contributing, if they're not already. I really can't answer the question as to how it's matched by the private sector. The only evidence I have is that the endowment and incentive fund, which was to kick-start in 1980 postsecondary expansion, with the matching program, is now \$400 million, a very significant contribution by the taxpayer matched by the private sector.

I just add in closing, Mr. Chairman, that the demographics of our province are so uniquely different. Edmonton-Centre, for example, which I think the Legislature probably resides in, has had 49,000 recipients of the scholarship fund, whereas Edmonton-Meadowlark has had almost 200,000 recipients. I'm not saying the average intelligence, obviously, of – I'm mean, I'm not inferring that. I'm simply saying that the demographics are such that . . . Well, perhaps I've said enough.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Foothills, followed by the Member for Calgary-Mountain View.

MRS. BLACK: Thank you, Mr. Chairman. I'd also like to welcome the minister and his deputy. I think it's always a pleasure to have you both here before the heritage trust fund.

I guess I, too, could never find fault in a scholarship program, because it is in fact an investment in the future, in young people and in children. The value of that program cannot be matched by anything else. But I'm wondering, as we venture through the 1990s and into the new century, if we should not maybe be revisiting the plan and going through a review. We see that the trends are towards high-tech and scientific ventures, and we're going to have to be focusing our efforts in education on the high-tech and scientific ventures if we're going to compete on a world level. I'm wondering, in your review process that you mentioned a minute ago, if you could possibly consider taking a portion of that fund and focusing it towards something in a dedicated area, such as scientific development or the sciences or into the high-tech postsecondary education fields.

MR. GOGO: That's an interesting question, Mr. Chairman, that frankly had not occurred to me. The Member for Calgary-Foothills is much more aware than I that although at the University of Calgary 65 percent of all the medical students are female, it's extremely disappointing that in the sciences and engineering it's running at 10 and 12. As members know, Mr. Dinning is attempting to address that.

In terms of scholarships under the heritage fund, one of the reasons for the review is that it's been there 10 years, and I think anything that's been around 10 years should be reviewed. That's my motivation for reviewing it. The question by the hon. Mrs. Black is very interesting. Maybe that should be considered in terms of direction to the people conducting the review. I'd like to ask Mrs. Duncan. She's been involved in this for some time. She might have a view on that.

MRS. DUNCAN: Well, I think it's worthy of review, Mr. Minister. To date the program has given awards on the basis of merit and has not tried to direct students, and I think it's an important policy question for you to pursue.

MRS. BLACK: As a supplementary, I think it's important in some aspects, because we're seeing trends that are changing, not only in the private sector but in the educational institutions, where we're going to be requiring people who will be able to fill in as professors in the postsecondary facilities in these areas. I'm wondering if this could be a combined effort, a review that could help us down the road to fill in the gaps within the institutions of where we're going to need high-tech people.

MR. GOGO: Well, Mr. Chairman, the sensitive area lies in the fact that we have board-governed institutions with a high degree of autonomy. Only since appointment to the ministry have I discovered that parking lots fall under the area of academic freedom, which I find, frankly, not alarming but surprising. The hon. member will recall in the past two years, clearly, with the support of the free trade agreement, the recognition of bilateral and maybe trilateral in the future in terms of trading agreements, the birth of the economic community about 18 months from now, that the needs and desires of people have changed dramatically.

I suggest the best evidence of that has been in the postsecondary system through our universities: the \$6 million commitment of this government to business management programs. People are getting involved in degrees in terms of business at Calgary, Edmonton, Lethbridge, and Athabasca universities. Some people took that, frankly, as – how can I best frame it? – an interference in the postsecondary system. Board-governed institutions said: "We are best qualified. We are best able to judge what we should be doing." Yet very clearly it was a government initiative, maybe coming from this committee; I don't know. It certainly came from members in the House debate in Education. That's been launched; I understand spaces are taken up. Calgary is doing a super job. Lethbridge is, as you know, second to none in the country in terms of its teacher training, but clearly I think the emphasis has to go to Calgary with the business management training.

Whether the same thing would apply, I don't know. I would be very interested, because I'm aware that the Member for Calgary-Foothills represents the University of Calgary – it's within her constituency – what the views of that institution would be. How much involvement should there be, if any, of government? Should it extend to the point where the scholarships are attempted to be directed when, as Mrs. Duncan

says, they're based on academic excellence now? Should one be attempting to steer the student in certain areas? I don't know. Clearly, when the review is done, I'll be asking whoever we hire to look at that component. Some people might take that as interference, but I suppose my next visit to the committee would be proof of whether I'm viewed as an invasionist.

MRS. BLACK: My last supplementary, Mr. Chairman. There's been some confusion. Can students from outside Alberta qualify for these scholarships just by virtue of going to school in the province?

MR. GOGO: There are residency requirements, Mr. Chairman. You must reside in the province for 12 months to access any of those scholarships, and/or, I believe, the parents. It's one of those two. For example, if the parents are here and the student's been away and the student comes back, that's not a problem. The student, if the parents are here, must be resident here 12 consecutive months to qualify for any of our scholarships. In other words, we don't have people coming from other jurisdictions to access them, irrespective of their merit.

MR. CHAIRMAN: Thank you.

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

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'd like to welcome the minister and his deputy. As a former member of the committee, I'm sure he appreciates what it's like being on this side of the aisle asking the questions.

I'd just like to clarify, Mr. Chairman. I'm not aware that we've received the financial statements for the heritage scholarship fund for the year ended March 31, 1990. Am I mistaken on that? Have they been distributed to us or not?

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MR. GOGO: Mr. Chairman, I'm sorry; I was being advised. I release the annual report to the House, which is in February each year. The '89-90 annual report of the scholarship fund will be released in the coming February; that's when we release the information. We provide interim information such as the value of the fund at the moment and so on. Is there additional information the member wants, such as where it's invested or that kind of thing?

MR. HAWKESWORTH: Well, Mr. Chairman, I guess I'll have to work from the scholarship fund statements from almost 18 months ago. I just perhaps would make a comment, once again a plea as a member of this committee, that if we could have up-to-date information before our meetings, it would be helpful to us in terms of reviewing these expenditures.

I'm just looking at the balance sheet. I have it from the public accounts for March 31, 1989. I note that in that fiscal year there was a write-down of investments and a provision for decline in market value within the fund of close to half a million dollars. I was just wondering if the minister could give us an explanation of what the reasons were for that and what was entailed in that write-down.

MR. GOGO: I can't. I'm not able to do that, Mr. Chairman. All the investments, as members know, with regard to anything under the heritage fund are made by the investment committee, and those powers are delegated to the Provincial Treasurer. I haven't asked the Treasurer. The Treasurer would be the only

one who would have that information, to my knowledge, as to any write-down at all. My interest is to see that the principles are maintained, such as that the corpus of the fund is such that we maintain the 1980 level of \$100 million and the amount we pay out runs at 5 to 6 percent. So I'm sorry, hon. Member from Calgary-Mountain View; I can't answer the question.

MR. CHAIRMAN: Does the member have a supplementary?

MR. HAWKESWORTH: Well, I'm at a bit of a loss, Mr. Chairman. I'm just thinking, you know, that that might have been another half a million dollars available to the fund to distribute in the form of scholarships as opposed to being written off the capital.

Let me try again on another question, and if it's the same answer, so be it. There's a note to the financial statement regarding real estate within the investments held by the fund.

Real estate is held through an intermediate company which has issued participating debentures secured by a charge on the real estate. The rental income less expenses is distributed to the Fund as participating interest on the debentures. The market value of real estate is estimated by independent appraisal.

I'm wondering if the minister would undertake, if he's not able to give me an answer this morning, to tell us: what is the intermediate company which holds real estate through this investment of the scholarship fund? I note that there's a significant change between fiscal years, a drop of almost a million dollars. If he could undertake to find out for us what the reason for that change might be.

MR. GOGO: Mr. Chairman, it seems to me those are questions that should be directed to the minister who's designated to manage the fund; i.e., the Provincial Treasurer. I don't know the source of the question. I don't know whether it's out of public accounts. I don't know whether it's out of an annual report. I simply don't know. I would commit to the hon. member that I'll raise this question, through *Hansard*, to the Provincial Treasurer to determine what the answer is, if it's available, and what my responsibility is in providing that. If it falls within the scholarship fund, then clearly I think it's a responsibility of either me as minister or the man we designate - i.e., the person in cabinet, the Treasurer - for administering the fund.

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

MR. MITCHELL: Thank you, Mr. Chairman. I'm going to ask a question which your initial reaction will be to rule out of order, but I assure you, Mr. Chairman, as I progress through my preamble, its relevance will become very clear.

MR. CHAIRMAN: Why don't we just rule it out now?

MR. MITCHELL: I thought I'd get those licks in.

I would like to direct the minister's attention to the Clinical Research Building feature of his responsibility under the Heritage Savings Trust Fund. I am certain that the minister is aware of the contribution that members of the Faculty of Pharmacy have made to high-tech small business development - hopefully, large business one day - in this province. I'm thinking specifically of two spin-off firms from the Faculty of Pharmacy, SynPhar and Biomira, both of which have brought literally millions of dollars to this province. Biomira has raised

money on the Montreal and Toronto stock exchanges and spends it here in Alberta; SynPhar has raised money in Japan and is spending it here in Alberta. They are prototypical of the kind of economic development that we would like, and they are, I think, a tribute to the resourcefulness of the Faculty of Pharmacy despite the fact that that faculty is in dire straits for capital development. Its labs are absolutely appalling and, in fact, probably dangerous to the people who work there in many respects.

Could the minister please indicate to us why it is that given the Faculty of Pharmacy's contribution both to raw research and to economic development in a way that we would want it, they haven't been given some priority for space in the Clinical Research Building?

MR. CHAIRMAN: Hon. member, you're really stretching it. I guess I'll leave it to the discretion of the minister to respond.

MR. GOGO: Mr. Chairman, I'm prepared to respond, with your permission, on the understanding that it doesn't set a precedent.

I know it's of great interest to the hon. member. I hope the hon. member recognizes the independence and the self-governing role of the institution. I myself have been through the Faculty of Pharmacy and am astounded that in a building built in 1922 . . . The fact is that of the \$32 million in formula funding this department gave out, \$10 million of that went to the U of A alone. Why it didn't reach that department is a decision, obviously, of that board of governors and not this minister, unless people would like this minister to run that institution, and there may be someone of that view; I don't know. I think that's a question that's properly directed to either Dr. Davenport or Mr. Milner as chairman of the board. I shouldn't comment further. For example, if the question was, "Have you had a request from the board of governors for a specific thing?" I haven't even had that.

So my preference, Mr. Chairman, would be to be sympathetic to what the hon. member is saying in recognition of a certain faculty. I don't know as our occupational health and safety laws are even applicable over there, frankly. I can't add anything to that other than the member should, I think, raise it directly with either Dr. Davenport or Mr. Milner.

MR. MITCHELL: Mr. Chairman, thank you to the minister for attempting to address that issue. I wonder whether I could pursue it just one question further.

MR. CHAIRMAN: The Chair's really uneasy with you pursuing that, hon. member. Granted, the Clinical Research Building has received funds from the Alberta Heritage Savings Trust Fund. However, it becomes evident to the Chair that the member is trying to grind some other axe as opposed to the Clinical Research Building itself and the funding that went into it. The Chair would really appreciate it if you kept your question more relevant to the money that has been spent on the Clinical Research Building.

10:52

MR. MITCHELL: I will.

I wonder whether the minister could tell us whether he has been able to do an assessment to determine what kind of economic spin-offs - not to say that that's necessarily our only objective with respect to pure research - have been generated as a result of the investment by the Heritage Savings Trust Fund

in the clinical research building compared with the economic spin-offs that we've received from the faculty of pharmacy, for example, despite the fact that its physical plant would be infinitesimal in its quality compared with the clinical research building. I mean, what are we getting for that investment? How are we pushing it? Is that kind of investment accountable or isn't it to the people of Alberta?

MR. GOGO: Well, Mr. Chairman, as the member knows, I'm sure, the medical research foundation, funded out of the heritage fund, does basic or pure research. The \$17 million clinical sciences building, which is now completed, does the clinical aspect of that in a variety of disciplines; for example, neurosurgery, plastic surgery, dermatology, pathology, et cetera, et cetera. It just opened this past year. I don't know how one could put an economic benefit or spin-off or multiplier. I mean, there are 1,800 faculty over there that consume 80 to 85 percent of the quarter billion dollar budget in salary and wages. Where do they go? I don't know. I mean, they're spent in the community. The U of A is the second largest employer in the capital city. I don't know how one would measure that. I don't know how I can measure that. The hon. member is saying: "Look, we put \$17 million of nonrenewable resource revenue into that from the heritage fund? What's the payout?" With respect, Mr. Chairman, I can't respond because I don't know. I don't know how you measure. There may be others who have a rule of thumb. The medical research foundation, you know, of its \$300 million spending \$30 million: I don't know how you measure that unless you're a recipient of a successful heart transplant or something.

MR. MITCHELL: Maybe I could focus the question then. Is the minister aware of and would he be able to tabulate the amount of commercial development that has resulted from research out of that clinical research building? For example, is there a medical equivalent to the pharmaceutical SynPhar? Is there a medical equivalent to the pharmaceutical Biomira? Are we in a position where we are going to commercialize and research findings like the islet research? I'm not saying that that is the only objective, but what I'm trying to say here is that on the one hand we have a faculty of pharmacy that is producing the kind of research and development and businesses that are fundamental to our success in the future as an economy; on the other hand, the minister is saying that he doesn't have a way of evaluating the impact of a huge investment in the clinical research building that one wants to be certain isn't any more than just a monument to us having a lot of money.

MR. GOGO: Well, I don't think that's the intent of the clinical research. Basic research, from which most knowledge seems to come, I think is uniquely different from the clinical research. Whether it's a practicum with a teacher or a nurse, there are certain characteristics, it seems to me, in those various health disciplines that would come out of the clinical research building. I don't know if the same argument could be applied, for example, that you use at ARCA or AOSTRA in terms of the private-sector partnership, but what I certainly will look into, Mr. Chairman, based on the question by the hon. member, is what the potential is. Certainly any professor who is involved in that process will sign a contract seeing that the public receives back in proportion to their investment so that any dollars earned will not go directly into the hands of, you know, professorial staff. I think that's a pretty good question.

MR. CHAIRMAN: Thank you. The Member for Clover Bar, followed by the Member for Westlock-Sturgeon.

MR. GESELL: Thank you, Mr. Chairman. I'd like to get back on topic here to the Alberta Heritage Scholarship Fund. If I understand it correctly, and the Member for Edmonton-Centre has alluded to it, the total amount of money in this particular fund right now is some \$173 million. My perception, then, is that although we've allocated on average about \$10 million annually, the fund still has grown by some \$8 million annually. I appreciate the minister indicating that he wants to retain the buying power within that fund. That I think we need to do; it is admirable. But also at the same time, I don't believe there has been any adjustment for inflation within the scholarships that are provided. I'm looking at it from the students' point of view. I'm particularly zeroing in on the high school, which is only one of those 10 programs, the Rutherford scholarship. Now, it's my understanding that we need to encourage our high school students to enter university, and this to me would be one way of doing it. All the other nine programs that you've outlined relate to undergraduate, graduate, or PhD programs. Is there a possibility to still retain the buying power of the fund and maybe look at increasing the maximum of I think it's \$1,500, or \$500 per year really, for the Rutherford scholarship? We've had some discussions about that in committee here last year, but the committee members felt that it was not suitable unless there was some fiscal evaluation of what it might do to the fund.

MR. GOGO: Mr. Chairman, that I think would be an item I would refer to the review process in reviewing the scholarship fund, bearing in mind that by that time we would have concluded a review of the whole question of tuition fees, which at present are the lowest in the country second to Quebec. If it turned out, deputy, that those fees were adjusted substantially, it may be indeed appropriate that all scholarships be reviewed in that light if they're attending institutions here in Alberta. I think that's probably a valid question; i.e., \$1,500 in 1981 is certainly not \$1,500 in 1990.

MR. GESELL: If I may take it a little bit further and shift a little bit, Mr. Chairman, in response to a question from the Member for Calgary-Foothills, the minister indicated that the minimum residency requirements would be at least 12 months, and I think that some of the programs he has outlined, the 'Wop' May one, for instance, she indicated employed for three years in Alberta. I need some clarification. When the minister talked about the Steinhauer award, which somewhat parallels the Lougheed one in the amount of funding that's provided -- \$10,000 undergraduate, \$15,000 graduate -- he made the statement that it would go to students "coming into this province." I'm just wondering if he could elaborate on that for me. Those would not, then, be Alberta residents.

MR. GOGO: No. The intent, Mr. Chairman, of the Steinhauer award is that you must attend an institution within Alberta, so it would encourage students, presumably from elsewhere, on the one hand. It's not limited; there's no residency requirement. It's a requirement that they attend one of the institutions in Alberta. In other words, the dollars are only applicable to be spent at one of our postsecondary institutions within Alberta.

MR. GESELL: Well, that begs then the question of how many of the other ones -- for instance, the Charles Noble. You

indicated that that would go to, I believe, Albertans but that they could study anywhere. I'm just wondering whether that one is restricted. The question was asked by, I believe, the Member for Edmonton-Centre: how does Alberta benefit from these programs? Now, I want to zero in particularly on the Steinhauer scholarship and ask that question in relation to that specific scholarship. How does Alberta benefit by providing funds to non-Albertans to study in Alberta?

MR. GOGO: Well, Mr. Chairman, I'm not sure of my facts, but I would randomly guess, looking across the way, that a third of the committee was born in Alberta and the balance came here – maybe less than that. The purpose of the Steinhauer award is to attract scholars from throughout the world to come to Alberta. I think many of our strengths, certainly with the foundation for medical research, have been in attracting scholars to come here, study here on scholarships, and hopefully remain here, certainly add to not only the wealth of knowledge at the institution but, indeed, stay here in Alberta. So it's really used to attract people to come here but only on the basis of excellence or the basis of merit. In other words, a committee selects those students based on their merit. I think Albertans become the winners if they come and study within Alberta and perhaps even remain.

11:02

MR. GESELL: Thank you very much.

MR. CHAIRMAN: The Member for Westlock-Sturgeon, followed by the Member for Ponoka-Rimbey.

MR. TAYLOR: Thank you, Mr. Chairman. I had a question I'd like to continue. It's along the line that the members for Clover Bar and Edmonton-Centre have taken, on the economic benefit to Albertans, with a slightly different twist.

I will agree with the minister that the people coming here for scholarships benefit Alberta. Giving scholarships to talented Albertans benefits Alberta. But there is another sector, and it's been highlighted the last half dozen years in the U.S. In Mississippi a fellow by the name of Taylor – no relation – an independent oilman, started giving free tuition to postsecondary school to any children of welfare or poverty parents that were able to make it through high school. It's caught on in the last eight or 10 years, and now the state of Mississippi is moving into joint partnership with him, and also the state of Alabama. Now, I'm not saying that the number of children we have in our schools that are from low-income parents is maybe as high a percentage as in those states, but we do have quite a few of them. The point behind this system of scholarships, if you want to call it that, is that on a cost/benefit analysis by Taylor and some of the independent, very right-wing think tanks down there similar to the Fraser Institute, more economic benefit accrues by keeping somebody that would have fallen back into the welfare chain, getting that person out and on, than there actually is in rewarding the talented people of our society, who are likely going to find their way through to the end whether or not they get the Loughheed, Rutherford, or whatever fellowship.

That leads to the question; I'm just giving background. I'm wondering whether the heritage trust fund scholarship committee is thinking of or would consider research or, who knows, has maybe already done it – I mean, if it's caught on in Alabama and Mississippi, it might have even got up here to Alberta – into the idea of taking a percentage of the heritage trust fund

scholarship and awarding it in the way of free tuition for those children that come from low-income or disadvantaged homes.

MR. GOGO: Mr. Chairman, I think I recognize where the hon. Mr. Taylor is coming from. A couple of things trouble me. One is the whole basis that the scholarship trust fund was to recognize merit and student ability and never takes into consideration the needs. In other words, there's no needs test, no asset test, no other test other than the ability or the merit of the student. So the member's suggestion seems to be really contrary to that.

We now have in place the whole Department of CD and E with AVT. We have a \$100 million Students Finance Board in terms of assets and providing funds. If the student does not have that ability to win a scholarship, to be excellent, I would have some difficulty. I mean, I waved the book around a moment ago. It's five pages alone from Medicine Hat. I'm sure there's lots in there based on the financial needs of a student as opposed to merit – bursaries, in other words. That would be a major shift in policy, to go from a merit base to a needs base. I would have some difficulty with that, recognizing that we already have in place many programs based on need. However, you know, there's one thing I discovered: we're in changing times, and sometimes our difficulties are the reluctance to change with the times. Please don't take from that any inference that I think it should be changed. I like the merit system. Frankly, I think it's one of the areas that we still preserve in our province: recognition not only of the work ethic where applicable but certainly of merit and academic excellence.

MR. TAYLOR: Supplementary, Mr. Chairman. The way the merit argument was answered by the Fulbright and Rockefeller people in the U.S. in this new type of fellowship/scholarship we're talking about is that it probably takes as much merit for a child from an impoverished family that's been in the welfare chain maybe two, three generations even to get out of high school as it does for the average middle-class child of conservative or liberal voting – maybe even NDP voting – parents that are making ends meet to get a fellowship. In other words, merit is a very relative thing. If you wanted to talk to Trump, the great real estate magnate, I'm sure he would tell you that merit is somebody that accumulates \$10 million worth of real estate. So I think it's a very relative thing. If the Yankees can get around to seeing the definition, seeing how much economic benefit really accrues to society to encourage these people in the welfare chain to get out – and that's not a hell of a lot of money, to just give them free tuition if they make it – I don't see why we shouldn't be spending a little bit on research, maybe even taking a segment of the plan to help those people. So that's one of the reasons I bring into it.

MR. CHAIRMAN: Does the member have a question?

MR. TAYLOR: Well, that leads to the question. I was just trying to make the point of what merit is and asking the group whether they would look at the whole idea of what real merit is – merit with a small "m," maybe, rather than a capital "M."

Let me go on to another area that has bothered me somewhat.

MR. CHAIRMAN: Hon. member, really.

MR. TAYLOR: Well, this is a supplemental question. This government shut down the extension library about four or five

years ago, which again I think is a crack at lower income, poor people, many of them rural, that wanted access to education. I think it was Thomas Carlyle who said, "The true university . . . is a collection of books," yet you shut down the university extension library. There is a library development section to the heritage trust fund. Why couldn't we divert some funds from the library development fund over to the university extension library so that could be put back into use again so once again the poor or lower income people, which were the ones that accessed this, would have access again?

MR. GOGO: Mr. Chairman, the hon. member raised a question, although it's not by definition within current activity. He asked about the extension library, which is the sole jurisdiction of the University of Alberta. If the hon. member wants me to interfere with that board-governed institution, then say it. Otherwise, they're there to govern. They made that decision.

We had the heritage library fund, as hon. members will recall, certainly back in the era of hon. Mr. Payne. We contributed \$9 million over three years. Frankly, I don't know as there was a lot of recognition for it, but it made a major, significant difference to the libraries at our institutions.

I don't bear or intend to bear any responsibility for what the U of A has done with its library.

MR. MITCHELL: You should.

MR. GOGO: Well, my focus is the students. The hon. member wants me to become involved in directing the institution. If we're to allocate its resources, then we're going to have to rethink the Universities Act, which is the legislation now in this province.

MR. CHAIRMAN: Thank you.

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

MR. JONSON: Yes, Mr. Chairman. Last year the hon. Member for Calgary-Fish Creek raised a series of questions dealing with the Rutherford scholarships and the trend that seemed to be evident towards increasing numbers of students qualifying for them. My first question would be: has that trend continued in the current year? Do we have a larger number of scholarships being awarded under the Rutherford category this year than last?

MR. GOGO: Yes, Mr. Chairman. The short answer is yes, because more and more high school students are achieving 80 percent.

11:12

MR. JONSON: Right. Is that a factor because of an increased high school population, or is it, quote, hopefully an increase in quality in terms of their achievement?

MR. GOGO: Mr. Chairman, I wouldn't touch that. The hon. member knows that I will not sit in judgment of the k to 12 system.

MR. JONSON: Mr. Chairman, it's not really a matter of judgment; it's a matter of statistics, I would think. All you have to do – and I would hope they would have these records – is figure out the proportion of scholarship winners. Is it a constant

proportion and just increasing in numbers because of an increasing student population, or is it a factor of more students proportionately achieving 80 percent or more?

MR. GOGO: Well, Mr. Chairman, just looking at the hon. member's constituency, where there have been 34 winners of the Rutherford totaling \$40,000 and four of the McKinney totaling \$15,000, it's been an aggregate in the member's constituency of \$55,000, which is, I guess, testament to that constituency. There are more and more Rutherford winners each year, which tells me that more and more are achieving 80 percent. The significance of how the departmental exams might fit in there – there's a whole host of areas, we feel, in terms of the scholarship fund. It's a very important program to encourage a high school graduate to go on – I mean, that's the key factor – and to achieve higher results. I know the trend is increasing. I was just reading the release put out today on the Rutherford scholarship. There's been a total of 41,000. That's been increasing each year. This year there's a total of 4,500. Now, I think I answered the question earlier: should we be reviewing the dollar amount because of inflation? That's perhaps a side issue, but clearly it's increasing. I don't know whether the hon. member had a question of what I am doing about it, but . . .

MR. JONSON: Well, Mr. Chairman, in the sense that I think we all have to share responsibility about what to do with it if in fact it is a problem. In some respect it's the kind of problem that's good to have.

A supplementary question, Mr. Chairman, with respect to the qualifications for the Rutherford scholarships. As I understand it, one of them is that the student receiving the scholarship must be registered for postsecondary study. Is there any information on just what categories of programs the registrants fall into in terms of going on to postsecondary education?

The reason I ask the question, Mr. Chairman, is that if we ever were to have to look at some type of need factor here, it would seem to me that a very significant one would be the difference between the student who was registered in a four-year program and perhaps the student who was registered in the two-year program. Now, of course, we can always say, "Well, maybe neither one of them will finish his program." Nevertheless, there is a definite difference in financial need there. If we were ever to face that question, would we have the information available to do some kind of analysis?

MR. GOGO: I don't know, Mr. Chairman, whether the information would be available, but that's one of the questions that is going to be addressed with the review of the scholarship fund. That'll be one of the areas that should be addressed in terms of who it benefits, who it benefits the most. Should the terms of reference of qualifications change, there'd be a whole host of areas. I would think the question that hon. Mr. Jonson is asking would be included within that ambit.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Centre, followed by Lacombe.

REV. ROBERTS: Thank you. I want to pursue the questions that I thought Westlock-Sturgeon was getting into but then seemed to back off, because I think they are a very useful investigation in terms of what constitutes merit or the operation of a merit principle with regard to these millions of dollars and these thousands of lives. I mean, I think he's on a good point, particularly as the minister is having the whole scholarship

program reviewed over the next while. I just really would like some clarification about this. It seems to be clear in the minister's mind, but I know in certain readings, most seminally the work of Paulo Freire in a book called *Pedagogy of the Oppressed* – I'd like the minister to read that book and then come and tell me what he bases the word "merit" or a merit principle on. I think it's very clear through that kind of work that in fact some people can get ahead because of cultural and socioeconomic advantage and other people continually do not get ahead because of either racial or socioeconomic disadvantage, and often oppressed peoples, though they have a considerable degree of merit, are not rewarded for that.

MR. CHAIRMAN: Hon. member, your preamble is really becoming extensive. Please move to a question.

MR. PAYNE: Not enough pre and too much amble.

REV. ROBERTS: All right. I'm just wanting to give the minister time to think about a good scholarly response to this. Getting to the point then, what therefore is the minister's own definition of merit and the operations of a merit principle that in fact are not just subjective and culturally and socioeconomically determined?

MR. GOGO: Mr. Chairman, if I've led the committee to confusion in any way by the use of my terms, I'll go to the Act, which I think most people would agree is probably the sensible thing to do, and quote from section 3. The purpose of the scholarship fund is to "recognize and reward the scholastic achievements," and that probably sums it up. Scholastic achievements – in other words, academic excellence – shifts the focus from the whole question of needs or merit. Far be it from this minister to quarrel with the statute. That's what the statute reads. Any reference I've made to the hon. Member for Westlock-Sturgeon about dragging into that by my talking about the Students Finance Board for needy students based on merit – that's based on need. So if we can be very clear that the purpose of this fund is to recognize academic achievement and, as they put it, scholastic achievement, that probably answers us all. When I use the word "merit," I don't use it on the basis of the hon. Member for Calgary-Mountain View achieving something never before heard of in this province by being elected in Calgary. I mean, that's merit. It's also an achievement but, with respect, not scholastic achievement.

REV. ROBERTS: Just to debate the point with the minister, I think that muddies the water even a bit further. Can he then tell us what scholarship is provided for an inner-city native student who has achieved high school graduation with, say, 75 percent, an excellent average, being one of only 10 native inner-city students who began? This student has persevered and got to the end but has been eclipsed by many of the students in Edmonton-Meadowlark, for instance, who got 80 percent or 85 percent and went on to receive scholarships for their achievement. It seems to me that the greater achievement of this native student also needs to be rewarded. What program is there here that does that?

MR. GOGO: Mr. Chairman, the Member for Edmonton-Centre highlights something that's very important to me. I spent yesterday in Red Deer meeting with the Alberta vocational colleges, and the hon. Member for Edmonton-Centre knows very well the work they do in terms of upgrading and the work they

do with native people, with the underprivileged in terms of those who don't have opportunities. There have been some great success stories coming out of that, thanks to the dedication of people who take the time to recognize the problems of illiteracy and that whole absence of opportunity. I'm glad he raised it even though it's not contained here.

I think there are a host of opportunities available, but let's not take ourselves away from scholastic achievement. I mean, I think those who have pulled themselves up by the bootstraps are to be commended. There are many scholarships around, and this is available. I don't know which one would be particularly applicable. But I don't think we should for one moment take from the authors of the scholarship fund that it be for scholastic achievement. I think there are many other resources available. Whether there are enough, I frankly don't know. But I'll commit myself to the hon. member to pursue his very question, because clearly some of the outstanding heroes of our society today I think are those who have been able to survive and go on to excel in spite of all the odds, their heredity, their background, the area. I think they need recognition, and I would hope there are appropriate mechanisms in place to see that's done.

11:22

MR. CHAIRMAN: Another supplementary?

REV. ROBERTS: I'm glad to hear the minister's own words. I can only hope that those mechanisms and that scholarship are forthcoming or room is made, whether it's a kind of Horatio Alger or a John Gogo scholarship fund that's going to work in the direction of affirmative action in a sense here. Maybe I could just ask him to put some time line on it. After this review and these concerns, in the minister's mind when can we expect to have such a mechanism in place?

MR. GOGO: Well, Mr. Chairman, please. I recognize the abilities of the hon. Member for Edmonton-Centre in areas of postdoctoral studies in psychology, but I didn't commit myself to doing something. I want to look into it and find out, and I think I gave recognition to the fact that I'm a great admirer of not only those who have been able to achieve it but those who recognized helping them do it. There's no way I'm of the view that the shift in the scholarship fund should be changed away from scholastic achievement.

But with respect to the committee, Mr. Chairman, it's going to be reviewed. It's its 10th birthday and it should be reviewed, and who knows what recommendations might come back. I cannot see for one moment significant merit in shifting from scholastic achievement to another area, but I'm in the hands of this House.

MR. CHAIRMAN: Thank you.

The Member for Lacombe, followed by the Member for Lloydminster.

MR. MOORE: Well, Mr. Chairman, some of my concerns have been addressed by the minister. However, there are other areas that come to light as the minister talks and various questions are asked of him. I heard the minister say "look into and find out" related to someone. I'd like to know if there is any review process on these scholarships on the basis they are given out and the end results and amounts once we set them up. Are they here for eternity or do we redirect them or . . . I'd like to know what the process is. Do we just sit here and give them out on that basis as long as the endowment is there?

MR. GOGO: Well, Mr. Chairman, there's no sunset legislation in the statute, the Heritage Scholarship Act, just like many others. Hon. members will recall that we had the bread Act on the statute books for, I think, 80 years and it was eventually repealed. The only way this Act would be changed, obviously, would be to amend the Act or the regulations, and that's the whole purpose of the review I would like carried out. I think the case has already been stated that "Minister, shouldn't you be looking at how Alberta benefits and do some tracking of students?" There's probably merit in that.

The hon. Member for Lacombe raises an interesting point in saying: is that scholarship really needed today for that specific reason? That's what the review committee would do. If the hon. member is saying, "You know, hon. minister, no wonder that thing is, in my view, drifting the wrong way; look who selects the students and look who selects the winner," there have been no comments made about the selection process in terms of who makes up that committee, and maybe that's an area that should be looked at. I don't know if that's what the hon. member is getting at.

MR. MOORE: A supplementary, Mr. Chairman, back on this area. We know that these scholarships are awarded on the basis of achievement, not need, as we have gone through with the previous questioner. I know achievement is one, but do we look at the productive value to society when we award something? It's starting out with dollars that belong to the citizens of Alberta and we award it to various individuals on the basis of achievement. That's very good. But do we also look at what the end results are going to be, or do we just give it to them and they're away?

[Mr. Jonson in the Chair]

MR. GOGO: Mr. Chairman, that tends to run into two questions that were asked previously. Do we track and do we as a state benefit and so on? I can't answer the question because I don't believe that's the criteria. I think the criteria at the moment is that you achieve scholastic achievement at a given level; you apply to a committee that's directed with its terms of reference. The Rutherford, for example, is cut and dried. If you achieve 80 percent, you get it and so on. To my knowledge, none of that is done now in terms of how we benefit other than the Steinhauer award. I think it's general knowledge that if we can attract students of excellence to Alberta to study and they remain here, we as a state are beneficiaries of that, but as for students going away and studying, I think we can only make the general assumption that society is better off for their pursuit. I don't know if you can take a ledger and enter something and say, "Another score, another one for Alberta; we had more winners in that area, they're going to study such and such, and we don't know where they're going to reside." I mean, I don't know how you'd do that.

MR. MOORE: Well, back on the same line of thinking, Mr. Chairman. When we look at some of the most lucrative scholarships and we're awarding them, we find that we have a hypothetical situation applied: a young, fertile-minded individual researcher or whatever, an academic, who has not had the years to achieve as much as somebody that's probably 60 to 70 years old, and we give it to the one 60 or 70 years old with the achievement. Nothing knocking that age group; I'm up in that bracket, and Nick Taylor is too. But, really, where would be the place to put it? The one that's going to explore the perimeters

for another 30 years, or give the \$50,000 to the one that has achieved so much over his lifetime? This is what I'm getting at. Are we relating it to where it has the most value to society in general, and do we follow up on it? We don't need to say that if we give a scholarship to some fellow for \$50,000 to do something, we have to have a report card. But overall we should say, "All these scholarships went out and how did we really benefit from it?" and then assess back to where we should put the amounts of the scholarships. Maybe some of these should be cut down and increased in other areas. Do we do anything in that area?

MR. GOGO: Well, Mr. Chairman, the Haultain award is really two unique awards, I guess. One is Steinhauer, where we attract people to our centres of excellence, and the other is recognition of outstanding citizens who contributed to three specific areas, and that's the Haultain award. That's presented to the outstanding citizen or group – it doesn't have to be an individual – in fine, applied, or performing arts, social or physical sciences, and education or the humanities. It's up to the committee to decide, of course, who's made that major contribution. The recent winners for example: Dr. Banks here in town; Shirley Stinson, professor of nursing. I can't nor do I intend to sit in judgment in saying, "Are they the most outstanding?" I assume they are because the committee chose them. But they've made significant contributions to this community called Alberta. I don't even know where they were born – that's insignificant – but I think Haultain recognizes those who have contributed to Alberta in that area. I've mentioned already that Steinhauer is to attract people and the other is to recognize scholastic achievement, and I don't know as I can sit in judgment as to whether the committees who function... If we're talking scholastic achievement in the biggies and you have the university presidents nominate the selection committee – remember, they don't choose; they construct the committee. So the university sector along with the Banff Centre suggest who the committee should consist of. I don't know where you can go beyond that if you're going to deal exclusively with scholastic achievement.

11:32

Now, whether it should be a different thrust and we say "Hey" – you know, there are people who say the problem with rural health care is that physicians aren't in rural areas. Maybe if you charge them what it actually costs to go to university and then forgive them for each year they're in Westlock or Fort Chip or whatever – but that's a different area. That's not recognized as scholastic excellence or achievement, you see.

So I would say in conclusion, Mr. Chairman, that the review committee or individual, however we construct this review, will probably come up with many, many recommendations as to: should we leave the Heritage Scholarship Fund where it is, or should it be shifted this way or that way or the other? I can't predict, but I would look for advice from hon. members of this committee in their recommendations.

MR. DEPUTY CHAIRMAN: The Member for Lloydminster, followed by Athabasca-Lac La Biche, followed by Edmonton-Meadowlark.

MR. CHERRY: Thanks, Mr. Chairman, and to the minister and deputy minister. I guess the constituency I represent, of course – and I'm going to take you to the only border city in Canada, Lloydminster. Each time I'm there to present scholarships to the high school students, what always amazes

me, because the Saskatchewan government is also there, is the difference in the two governments with their scholarship programs. I can say, and many people have come to me after the evening is over and said, how generous Alberta is in scholarships to the high school students. I think it was last year in Lloydminster that there were 30-some students from Alberta who received the scholarships whereby there were four given out from Saskatchewan. Now, I'm not trying to put one province up against the other, but I think that over the years this province has certainly done a great job in looking after their young people.

Mr. Minister, the question I have – and I hope no one minded that little statement I made, because I think it's one that only I as . . .

MR. DEPUTY CHAIRMAN: Did you have a question, hon. member?

MR. CHERRY: Right, Mr. Chairman. It's more of a general question. The 13 awards that are in the Heritage Scholarship Fund: what were the criteria for the awards themselves, and do we review them to indicate whether we should bring in further awards, say in music or whatever that might be?

MR. GOGO: Mr. Chairman, there are recommendations made by the select committee, and those recommendations are then considered by government. Members may recall that when I occupied the chair where the hon. Member for Lloydminster is I made a recommendation that there be a scholarship named after the previous Premier of this province in a particular area where he had a great interest, and that was in civics. It didn't see the light of day for a variety of reasons. Another area I recommended was in terms of music, and that didn't survive.

The only way to change it, I think, Mr. Chairman, is to convince the government it should be changed, and the beginning of that process obviously is the select committee's recommendations. If that's endorsed by a good segment of the public, I think the government listens very closely.

MR. CHERRY: I have a supplementary. Of all the Rutherford scholarships . . . You know, I realize that the schools do broadcast that these scholarships are available to the students. The other question, of course, is another general question. How many letters of appreciation would your department get back from the students when they receive these scholarships?

MR. GOGO: I've had this year, Mr. Chairman, 20. The reason I remember . . . They don't run as high as letters covering other topics, but there have been about 20 this year. I think, you know, the hon. member touches on a very important point, and that is that there are many Albertans who recognize the generosity of the taxpayer in supporting such a program. It's certainly comforting to me to get some of those letters and to see what a difference it has made even though it may be only \$500, \$1,000, or indeed the \$1,500 from Rutherford.

I should point out, Mr. Chairman, that the hon. member has had 62 Rutherford winners in the Lloydminster constituency.

MR. CHERRY: Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: That's your final question. Athabasca-Lac La Biche.

MR. CARDINAL: Thank you, Mr. Chairman. I, too, would like to commend the deputy minister and the minister for this fine program. I had an opportunity to take part in the past two years in the presentation of some awards, and it's very rewarding for the students receiving the awards and also for the families. I think it's a really good program.

But I do have one bit of a concern and a question in relation to the scholarships and where they may be going. As you're aware, we do have regional disparities in our province in relation to the education system, where we do have some school jurisdictions that because of a good tax base can provide up to 120 courses in high school while others may have to provide as low as 60 courses. We have mill rates running from one mill to 15 mills in the regular education system, which could indirectly impact on the quality of education provided to the students. I just wonder: is there any information available that would indicate that the students from the richer municipalities that provide a better quality of education and more courses would receive more scholarships or not?

MR. GOGO: Mr. Chairman, I don't know. In the constituency of Athabasca-Lac La Biche there have been 50 winners of the Rutherford and McKinney awards, for a total of about \$70,000. Now, Whitecourt is only at \$50,000, and Barrhead, believe it or believe it not, \$51,000. So I don't know. This is all based on the students' achieving 80 percent in the Rutherford and, of course, the recommendation of the institution with regard to McKinney. So I can't draw any conclusion of inequity in the system as long as it's based on merit. I don't know. I think we are aware that some 20 school divisions in Alberta perhaps don't have a school, but I don't know how that relates to the students.

MR. CARDINAL: I don't have a supplement, so thanks.

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

MR. MITCHELL: Mr. Chairman, I would like to commend the minister for undertaking to review the scholarship fund. In fact, that sentiment would be welcome for the rest of the heritage trust fund. We've been asking, of course, for many years, as have some of the government members of this committee, that the heritage trust fund be reviewed as well. So I congratulate the minister.

I would like to ask him: what is the nature of the review? He said "outside consultants." Well, my first question is: will there be the opportunity for public input into that review process?

11:42

MR. GOGO: Well, Mr. Chairman, if it were done similar to the tuition fee review that's now under way – you know, we've had 40 responses to a discussion paper with regard to tuition fees, and part of that included parents and the general public, not in the public hearing concept but by notification that the various meetings would take place. I don't want to make this a big, big, big, big thing. I'm simply saying it's my view – and I said the same when I sat on that side of the House – that the heritage fund should be reviewed because it's a decade and so on. I think the scholarship fund should be reviewed. It's been going 10 years. What changes, because there have been no changes to my knowledge, should occur, if any? I don't know that. To do it, it would be my preference that the Students Finance Board,

which administers that, are not the ones that should review it in my opinion. Vested interest groups shouldn't. The people who are in daily contact with it are advisers to the system; they shouldn't be the ones to review it. I think I'd like to come up with some suggestions, have someone externally, who wouldn't have a jaundiced eye, look at it and make recommendations. Then obviously the Students Finance Board would have a go and so on. I just think if confession's good for the soul, then review is good for programs. I say that to the hon. Member for Edmonton-Centre.

MR. MITCHELL: Most of us couldn't agree more. I wonder whether the minister could tell us, since he feels, rightly so, so adamant that the Heritage Scholarship Fund should be reviewed after 10 years, why it is that the Treasurer doesn't feel that the entire fund itself should be reviewed after 10 years. Will he take that up with the Treasurer?

MR. DEPUTY CHAIRMAN: That's hardly in order.

MR. GOGO: Mr. Chairman, I would give the hon. member the chairman's office number.

MR. DEPUTY CHAIRMAN: Last supplementary.

MR. MITCHELL: That's fine, thanks, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Fish Creek. [interjection] Oh, sorry; the Member for Westlock-Sturgeon.

MR. TAYLOR: Mr. Chairman, I'd like to touch back again on the two questions I brought up earlier and followed by Edmonton-Centre. I was interested in hearing the minister talk about achievement. Well, surely the minister would agree that achievement is measured from where you start and is almost as important as where you finish. It's the old case of a hundred-yard dash between a very young and able athlete and somebody in a wheelchair. The achievement, the absolute time involved, may be twice or three times in the wheelchair, but it's still maybe a greater achievement. So I was very interested to see that you used the word "achievement" because it opens up this whole question of where you started from. That's why I'm talking about inner cities, poor-income people. So I would like more than I've got so far from the minister, some sort of assurance that he will be pushing this review committee to look into the whole area of achievement awards to those children of very low-income families or generally disadvantaged families, you might say. I would like to push him to see whether he will bring that up before the advisory committee, because achievement is achievement.

MR. GOGO: Well, Mr. Chairman, my job is . . .

MR. DEPUTY CHAIRMAN: I didn't hear any question. You could go on to the next member. Do you have a question, hon. member?

MR. TAYLOR: I asked him: will he push for it?

MR. DEPUTY CHAIRMAN: Oh, I see. Okay.

MR. GOGO: Mr. Chairman, just in response, my job is to listen, evaluate, and make decisions. If I come back to the hon.

member as a minister of the Crown, surely I'm the one who must obey the law, and the law says scholastic achievement, "scholastic" being the operative word. I'm prepared to look at anything. I just want to caution that in no way would this minister have the intent of diluting the whole question of scholastic achievement by making recommendations for the scholarship fund to be a bursary fund. I mean, I don't think that's the role. I'd be prepared to look into what is available to all students on the basis of need, but my job's to listen, and I'm listening.

MR. DEPUTY CHAIRMAN: Supplementary question.

MR. TAYLOR: Okay, that's getting closer, because that's what scholastic achievement is. As the father of a large family I can remember giving out awards now and again to the family, and you always took that where the student was starting from was as important as where they ended up. I think this is something we're overlooking here.

The second part, then, is that this is a committee to review the work of the heritage trust fund scholarship committee. Surely in preparation for this review that the committee is going to do on what the whole Heritage Scholarship Fund does, there must be studies available to your committee through the department that we should have access to in order to make a better assessment of the questions and also, as members of the public represented through the Legislature through this committee, on how those fellowships have gone out: rural, urban; high income, low income; black, white, brown, native, nonnative; female, male. Surely there is a big background in the computer machines. I think the deputy minister is stirring uneasily in her seat here. Maybe she would be willing, then, or maybe she could tell you. Could you make available those statistics of the winners and the breakdown to the members of the committee?

MR. GOGO: Well, Mr. Chairman, it would be very unfortunate if we were to utilize scholarship funds for matters other than scholastic achievement. I mean, I think the focus should be on the achiever and let the achiever obtain those funds and pursue their studies. Surely the hon. member is not saying - as he addresses his five children, for example, where they come from and so on - based on a whole host of things. We have an indicator that says that if you do not achieve 80 percent, you don't get a Rutherford. Now, if the hon. member is saying, "Minister, change that, because if they work extra hard and only got 71," I'm sorry, that's not the purpose of those scholarships. So I have great difficulty with that.

I'm sure there's a variety of studies existing. Heaven knows, we've got hundreds and hundreds of professors across the river studying everything. Maybe you should ask Dr. Davenport. I'm sure there's a study there. There's nothing under the sun they haven't studied.

MR. TAYLOR: Mr. Chairman, I think we've slipped a gear here. He's back answering my first question . . .

MR. DEPUTY CHAIRMAN: Do you have a final supplementary?

MR. TAYLOR: . . . and my second question had nothing to do with it. He'd already answered my first one. The second question was: in the interest of open government and the heritage trust fund committee doing its work here, can the department make available to the committee all the studies they

have on the recipients as to background, geography, and all the rest? They must do some studies. Surely they just don't give out the money each year. After this many years studies will not be subjective; they'll be objective, because it'll be too difficult to put the names to it. So I don't see where we're giving away any secrets if we have access to the same studies that the department obviously is preparing for itself if it's going to review the whole plan. Can we have a copy of that?

MR. GOGO: Mr. Chairman, I don't believe we've ever done those studies, but if we have them, I'll certainly send them to the committee, the results of any studies we've done based on the criteria the hon. member's talking about.

MR. DEPUTY CHAIRMAN: The hon. Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman.

MR. TAYLOR: Mr. Chairman, point of order. Don't I get a question and two supplementaries?

MR. FISCHER: First, I'd like to say good morning to . . .

MR. DEPUTY CHAIRMAN: Pardon me, Member for Wainwright; there's a point of order here.

MR. TAYLOR: Yeah. I get a question and two supplementals, don't I?

MR. DEPUTY CHAIRMAN: I've listened carefully, hon. member, and you've posed three questions.

MR. TAYLOR: No. No.

MR. DEPUTY CHAIRMAN: Yes. Yes.

MR. TAYLOR: No. He misunderstood that second question when he answered it. I mean, unless you wanted me to jump up and down and tell him to shut up halfway through . . . He misunderstood the first supplementary, the second question.

MR. DEPUTY CHAIRMAN: The hon. Member for Wainwright.

In the Chair's judgment three different questions were asked.

MR. FISCHER: Thank you very much.

MR. TAYLOR: Well, Mr. Chairman, indeed, then, we're almost expected to keep our own notes. Could I ask the secretary, then, to say what the questions were? I mean, surely if the order of business is that you're allowed one question and two supplementaries, the secretary must be keeping track of them.

11:52

MR. FISCHER: Mr. Chairman, I'd like to ask the minister a question, if you don't mind.

MR. DEPUTY CHAIRMAN: Well, hon. member, the Chair is not trying to be unfair to you, but there were three questions preceded by three rather lengthy preambles. The Member for Wainwright has not had a chance to ask a question yet today. I would like to proceed.

MR. TAYLOR: I do wish you'd keep track of the supplementals.

MR. DEPUTY CHAIRMAN: Hon. member, we'll review the record of the meeting, and if I am in error, we'll give you another supplementary tomorrow or something.

The Member for Wainwright.

MR. FISCHER: Thank you. My question is concerning the Jimmie Condon award for athletics. Firstly, how much money is available each year in that scholarship? [interjections]

MR. GOGO: The hon. members over there say not enough. I don't know. We've given out a total of \$9 million to 10,000 people. We don't look at it as to what's available in the fund as much as the thousand dollars we pay out to the recipients.

Mr. Chairman, in 1989 there were 1,390 recipients who received \$1.2 million. Just so we're aware:

The program acknowledges excellence by rewarding Alberta athletes at universities, colleges, and technical institutes. These scholarships provide recognition for the sustained commitment required at this level of athletic competition and encourage students to continue their academic . . .

. . . to qualify, [they] must be . . . residents in full-time attendance at post-secondary institutions . . . and members of sanctioned teams.

That's one of the reasons for the 1,390 people, if that's helpful.

MR. FISCHER: What sports? Is it any sport that you get in, and how do you qualify? Is it academic qualifications as well, or is it with your sport itself?

MR. GOGO: Well, it's got to be an intercollegiate sport - i.e., other institutions - and have a national championship involved to be acceptable. In other words, they must compete nationally.

MR. FISCHER: Has there been any thought put into scholarships a bit like the U.S. do with their colleges and universities, where they have individual scholarships?

MR. GOGO: Well, Mr. Chairman, we don't have the athletic scholarship per se. I was going to ask the deputy minister if she had a comment on that. I know there are various people who've been saying that there should have been changes to the Condon scholarship. For example, going back to the Olympics, there was not recognition within the scholarship for people who wanted to contest for the Olympics unless they were part of an "organization." The Condon award only applies to the collegiate or intercollegiate sports that have a national championship.

I want the deputy to answer the question of whether or not there is a specific award under Condon for an individual who's not in a group. I don't think there is.

MRS. DUNCAN: There is in badminton, for example, which is an interinstitutional competition that has a national final. You can get an award for badminton, I believe. I stand to be corrected. Gymnastics for sure, I know, has one; probably badminton too.

MR. DEPUTY CHAIRMAN: I'd like to thank the hon. minister and his deputy for attending upon the committee's meeting today. We appreciate the time and the answers that you provided to a large number of questions from members.

I just remind hon. members of the committee that the Hon. LeRoy Fjordbotten, Minister of Forestry, Lands and Wildlife, will be here this afternoon at 2.

The Member for Lloydminster moves adjournment.

MR. GOGO: Thank you, Mr. Chairman.

[The committee adjourned at 11:57 a.m.]

