

## LEGISLATIVE ASSEMBLY OF ALBERTA

Friday, April 6, 1973

[The House met at 1:00 o'clock.]

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF VISITORS

MR. STROMBERG:

Mr. Speaker, today is quite a special day for me. I have 21 students who have come in from Heisler. Heisler is situated, of course, on the east end of my constituency. They have their teacher, Mr. Ron Williams, with them and their bus driver, Mr. Summers. They are seated in the public gallery and I would ask them to stand and be recognized by this House.

MR. HARLE:

Mr. Speaker, on behalf of the hon. Dr. Warrack who is absent from the House at this time, I would like to introduce a group of Grade 10 students from the Dr. Elliott School in his constituency. They are 21 in number, accompanied by their teacher, Mr. Heidebrecht. They are in the members gallery. I'd ask that they stand and be recognized by the House.

MR. HENDERSON:

Mr. Speaker, it's my pleasure to introduce to you, sir, and to the members of the House a class of Grade 6 students from the Leduc Elementary School. They are accompanied by their teachers, Mr. Liebrecht and Mrs. McCoy, their supervisors, Mrs. Rassmussen, Mrs. Martin and Mrs. Wendel, and their bus driver, Mr. Plett. I would ask that they stand and be recognized by the House.

MR. R. SPEAKER:

Mr. Speaker, I would like to introduce through you and to you a delegation that presented a petition earlier today to the Minister of Education, a petition which had some 1,300 names on it. I'd like to introduce Mr. and Mrs. Steve Dixon, Donna Douglas, Mrs. Marjorie Rebalkin and Mrs. Marlene Heley who were in the delegation. I would ask them to rise at this time.

## FILING RETURNS AND TABLING REPORTS

MR. YURKO:

Mr. Speaker, in accordance with the government policy of tabling as much information as possible on the Syncrude plant, I would like to table another report on environmental aspects of the Syncrude project, titled An Ecological Base Line Survey, Beaver Creek.

DR. HORNER:

I would like to table the response to Motion for a Return No. 127.

MR. GETTY:

Mr. Speaker, for the House's information, I'd like to table a copy of the policy guidelines which have been established by the Bureau of Public Affairs on the publishing of annual reports and reviews.

## ORAL QUESTION PERIOD

Teachers' Strike Vote

MR. HENDERSON:

Mr. Speaker, I'd like to address a question to the acting Minister of Labour. I bring the matter up in the absence of the regular minister because of the timing of the matter. I would ask the acting minister as to whether the Department of Labour through the Board of Industrial Relations has ordered a supervised strike vote to take place between the teachers employed by the Edmonton Public School Board?

MR. LEITCH:

Mr. Speaker, that is a matter about which I have no information, and would have to check.

MR. HENDERSON:

Supplementary, Mr. Speaker. If the minister would check, I would appreciate it if we would get a report back today. It is my understanding that a strike vote is to take place under the supervision of the department, which is a departure from established practice. I'd like to ask the minister to also find out who requested the vote.

MR. LEITCH:

Mr. Speaker, I'll see what I can do.

MR. SPEAKER:

The hon. Member for Fincher Creek-Crowsnest, followed by the hon. Member for Calgary Bow.

Tax Exemption for Gas

MR. DRAIN:

Mr. Speaker, my question is to the hon. Minister of the Environment. I was wondering if he could advise whether it is going to be a recommendation of his department that propane and natural gas used in automotive vehicles be made tax exempt because of the beneficial results to the environment?

MR. YURKO:

Mr. Speaker, we have had the matter under consideration for some time, and have been studying, both physically and on paper, various aspects of this consideration. We also did a major survey, of course, of pollution sources in Calgary and Edmonton to determine the extent of pollution from automobiles and vehicles. All I can say at this time is that the matter is still under active consideration.

MR. DRAIN:

Supplementary, Mr. Speaker. Have you made a study of the pollution differentials in these specific fuels: propane, natural gas and diesel fuel?

MR. YURKO:

I believe, Mr. Speaker, that we do have figures on the actual releases in regard to combustion under various conditions.

MR. DRAIN:

Could the hon. minister outline the significant differences, if he has them -- you know, just roughly?

MR. SPEAKER:

A matter of that detail should really appear on the Order Paper.

Asbestos Health Hazard

MR. WILSON:

Mr. Speaker, I have a question to the hon. Deputy Premier. Is the government prepared to schedule public hearings throughout the province during this summer to determine the best approach to health, labour and environment regulations and legislation in the use of asbestos?

DR. HORNER:

Mr. Speaker, when the government reaches a decision with regard to the question of holding public hearings on asbestos, the proper announcement will be made.

MR. WILSON:

Supplementary, Mr. Speaker. Do I understand from the hon. Deputy Premier's reply that they are considering public hearings at the moment?

DR. HORNER:

Mr. Speaker, this government is always considering a variety of ways in which we can communicate with the people of Alberta.

MR. LUDWIG:

Supplementary to the hon. Deputy Premier. If they are considering all these matters, when can we expect the odd decision to come through?

DR. HORNER:

Mr. Speaker, this government has made a number of crucial decisions that have affected the well-being of the people of Alberta in a very meaningful way. If the hon. member would stay awake during the sittings of this House he could find out about it.

MR. LUDWIG:

There were a lot of bad ones, too, Mr. Speaker.

MR. SPEAKER:

Order please. The hon. Member for Drumheller, followed by the hon. Member for Camrose.

MR. TAYLOR:

Mr. Speaker, my question is to the hon. Minister of Youth, and as he is absent, I will hold it till he returns.

MR. SPEAKER:

The hon. Member for Camrose, followed by the hon. Member for Lethbridge East.

Anchor Pipelines Ltd.

MR. STROMBERG:

Mr. Speaker, my question is directed to the Minister of Telephones and Utilities. Further to the question I raised last week in regard to Anchor Pipelines charging over-interest on past due accounts, are there other utility companies in Alberta charging 6 per cent per month on interest owing on arrears billing, and if so, is your department taking any action to stop this form of highway robbery?

MR. FARRAN:

Mr. Speaker, as I said last week, an order of the Public Utilities Board dated February 26 instructed Anchor Pipelines to return the 6 per cent per month interest they had been charging on overdue accounts. In effect it was ruled illegal. Six per cent per month, of course is the equivalent of 72 per cent per year, if an account remains overdue that long.

The Public Utilities Board has requested all utility companies to submit a detailed analysis of the method and formula used in assessing penalties and interest on overdue accounts. The difference between a penalty and interest is that a penalty is usually the loss of a discount; interest is a percentage amount attached to a bill for overdue accounts. It is common business practice to charge something like 1.5 per cent or 2 per cent a month; 6 per cent seems excessive.

MR. STROMBERG:

Supplementary, Mr. Speaker. As I understand the minister, he is saying there is a matter of wording or terminology here between penalty and interest. If both work out to 72 per cent interest, is there any difference?

MR. FARRAN:

Well, Mr. Speaker, I don't know if I should go into the terminology of these things. A penalty is a loss of a discount usually; interest is added to the bill. I would say that any penalty or interest is illegal if it is not in accordance with the approved formula granted to a utility by the Public Utilities Board which regulates the allowable earnings above a rate base.

MR. SPEAKER:

The hon. Member for Lethbridge East.

Native Studies Program

MR. ANDERSON:

Mr. Speaker, my question is to the Minister of Advanced Education. Has the Universities Commission forwarded, for your consideration, a request from the University of Lethbridge to establish Alberta's first Native Americans studies program?

MR. FOSTER:

Yes, they have, Mr. Speaker, and the officials of the Department of Advanced Education are reviewing it and I expect will be providing me with their opinion in due course.

Natural Gas Royalties

MR. NOTLEY:

Mr. Speaker, I would like to put a question to the hon. Minister of Mines and Minerals. By way of explanation last year we had public hearings in the Legislature on the question of the oil royalty matter. My question to the hon. minister is, is any provision being made for public input, either through public hearings or a special session of the Legislature, if necessary, to consider the natural gas royalty revision?

MR. DICKIE:

Mr. Speaker, it is not the intention of the government to hold public hearings in respect to a review of our natural gas royalty. We have a study group now working on that. Anyone that has expressed concern or interest -- we have suggested we would welcome any comments or ideas from them on that. It could be submitted to the study group.

MR. NOTLEY:

A supplementary question, Mr. Speaker. Again by way of explanation, last year the government produced a position paper which was tabled in the House preceding the decision on the actual royalty. My question to you, Mr. Minister, is will you be preparing some sort of document which can be made public so the public will have some sort of input after this initial reaction is announced by the government?

MR. DICKIE:

Mr. Speaker, I am unable to state at this time exactly what steps will be followed. We will await the report of the study group on the review of the natural gas royalty and then make a decision at that time as to the course of action that will be followed.

MR. DIXON:

Supplementary question, Mr. Speaker, to the minister. Could the minister indicate to the House the preference that the oil companies are going to take as to whether they are going to go the royalty route or the assessment and taxation route under their new plan?

MR. DICKIE:

Mr. Speaker, as all the hon. members are aware, they have the option to elect to go under the new royalty schedule until July 31. There haven't been any indications from either the CPA or IPEC, which are two of the leading organizations representing the oil companies, as to whether they will elect to go into the new royalty schedule or remain under The Mineral Taxation Act. I can also say to you that various individuals have raised inquiries about it, but I can't recall, and wouldn't be in a position to give specific information as to a percentage that might have indicated which would go one way or the other.

#### ORDERS OF THE DAY

##### MINISTERIAL ANNOUNCEMENT

MR. COPITHORNE:

Mr. Speaker, I wish to advise this Assembly the government's intention to pursue a major policy change which will affect extra provincial licence issuing procedures for the motor transport industry in Alberta. This significant step forward by the Government of Alberta will be accomplished when -- and we are relatively certain of acceptance -- Alberta becomes a member of the Uniform Vehicle Registration and Proration Agreement.

The Uniform Vehicle Registration and Proration Agreement, or as it is more commonly called, "Proration", is an agreement between 18 western states plus the Province of British Columbia. Proration members maintain a mutual agreement when licensing the motor vehicle industry. This mutual agreement provides each member in proration motor transport, licencing, and revenue based on that percentage of total miles a trucker utilizes highways in any one member's specified jurisdiction.

For example, an Alberta trucker hauling commerce to British Columbia must pay full licence fees in both Alberta and British Columbia under the current system of licencing. Proration will provide that in Alberta, truckers will be able to obtain licencing in British Columbia for an amount calculated strictly according to the percentage of the total miles he uses the British Columbia highway system. Of course, the same Alberta trucker will be subject to a reduced licence fee in Alberta in this case, also based on similar calculations.

Alberta currently enjoys full and free reciprocity with 33 states. Full and free reciprocity means that any trucker licenced in a state enjoying reciprocity with Alberta need not pay any licencing fee in Alberta.

On the surface this concept of reciprocal licencing appears like a most reasonable arrangement. There are however, two important factors which have caused reciprocal agreements to be a burden on the Alberta taxpayer as well as put the Alberta motor transport industry in a less competitive position than members within the Proration Agreement.

(1) Although reciprocal agreements permit interchange of licences, authority for Alberta truckers to haul commerce in the United States must be granted by the Interstate Commerce Commission. The ICC comes under the direction of the United States federal government. This of course, means that any state can issue a licence to an Alberta trucker but that state has no control over the same trucker receiving authority to haul commerce throughout that state.

Alberta truckers, although having acceptable licences under state reciprocal agreements, continually encounter extreme opposition when application is made to the Interstate Commerce Commission for operating authorities to haul commerce within the United States.

(2) Mr. Speaker, reciprocity agreements have also allowed truckers licenced outside of Alberta to use Alberta highway systems without making a financial contribution through licencing or fuel taxes to the maintenance and the construction of our highway system.

Current estimates reveal that 30 truckers, most of whom are licensed in the United States, enjoying reciprocity with Alberta, enter Alberta for every one Alberta trucker who enters the United States.

I might add, Mr. Speaker, that this is a conservative estimate.

Under the Proration Agreement, Alberta will obtain licence fees from all trucks using Alberta highways.

Under proration, records must be kept by truckers and filed with the government, thus giving the government accurate information for the collection of fuel taxes.

Under proration the Alberta trucking industry will not be faced with dual licensing fees, particularly between Alberta and British Columbia.

Under proration we will have access to accurate statistical information to assist in future policy formation, especially with regard to issuing operating authorities.

Mr. Speaker, we are led to believe that Saskatchewan and Manitoba are watching with more than passing interest, Alberta's application to join the Uniform Vehicle Registration and Proration Agreement. We have written Saskatchewan and Manitoba encouraging them to enter proration as well.

If the four western provinces can join together in a common effort to encourage the development of the motor transport industry, then we, as a unified western Canadian voice, will be able to influence Ottawa to review the current relationship between the Interstate Commerce Commission and the Canadian Motor Transport Industry.

Mr. Speaker, this proposed new government policy will not solve all the problems currently facing the motor transport industry in Alberta, but it is a significant move in the right direction. Furthermore, Mr. Speaker, this proposal is a clear indication that further review of the motor transport industry is a high priority. We as a government intend to continue our obligation to improve the competitive position of Alberta truckers, while at the same time improving the flow of commerce in and out of Alberta.

PRIVATE BILLS  
(Second Reading)

Bill No. Pr. 5

An Act to amend The Calgary Community Foundation Act

MR. GHITTER:

Mr. Speaker, I move, seconded by the hon. Member for Whitecourt, second reading of Bill No. Pr. 5, An Act to amend The Calgary Community Foundation Act.

[The motion was carried, Bill No. Pr. 5 was read a second time.]

Bill No. Pr. 8

An Act to amend The Knights of Columbus Club Act

MR. KOZIAK:

Mr. Speaker, I move, seconded by the hon. Member for St. Paul, second reading of Bill No. Pr. 8.

I might point out it is expected that in committee an amendment will come in which will correct an oversight that appears in the bill, in that the bill does not correspond in all its aspects with the petition which was filed. That will be corrected at the time the bill is before the committee.

[The motion was carried, Bill No. Pr. 8 was read a second time.]

Bill No. Pr. 10

An Act to Incorporate Westbank Golf & Country Club

MR. KOZIAK:

Mr. Speaker, I move, seconded by the hon. Member for Calgary McKnight, second reading of Bill No. Pr. 10 being An Act to Incorporate Westbank Golf & Country Club.

[The motion was carried, Bill No. Pr. 10 was read a second time.]

Bill No. Pr 11  
An Act to amend The Alberta Wheat Pool Act, 1970

MR. DOAN:

Mr. Speaker, I move, seconded by the hon. Member for Whitecourt, Mr. Trynchy, second reading of Bill No. Pr 11, An Act to amend The Alberta Wheat Pool Act, 1970.

The Alberta Wheat Pool Act, 1970, being Chapter 117 of the Statutes of Alberta, 1970, is hereby amended by adding the following after Clause (e), Section 26: "Provided that any member who has received payment under this clause shall not be entitled to further payment or purchase of reserves except a payment or purchase authorized under clause (b) or (c) or this clause."

MR. SPEAKER:

Order please. Possibly the hon. member would prefer to defer the reading until the bill goes into committee.

[The motion was carried, Bill No. Pr 11 was read a second time.]

Bill No. Pr 12  
An Act to Incorporate the Fort Assiniboine Agricultural Association

MR. TRYNCHY:

Mr. Speaker, I beg leave to give second reading of Bill No. Pr 12, seconded by the hon. Member for Calgary Buffalo, An Act to Incorporate the Fort Assiniboine Agricultural Association.

[The motion was carried, Bill No. Pr 12 was read a second time.]

Bill No. Pr. 13  
An Act to amend An Act to Incorporate  
The Mennonite Brethren in Christ Church

MR. DOAN:

Mr. Speaker, I beg leave for second reading of Bill No. Pr. 13, seconded by the hon. Member for Lacombe, An Act to amend An Act to Incorporate The Mennonite Brethren In Christ Church.

[The motion was carried, Bill No. Pr. 13 was read a second time.]

ORAL QUESTION PERIOD (CONT.)

Teachers' Strike Vote (Cont.)

MR. LEITCH:

Mr. Speaker, I wonder if I might have leave of the House to revert to the Oral Question Period for the purposes of answering a question asked by the hon. Leader of the Opposition?

HON. MEMBERS:

Agreed.

MR. LEITCH:

Mr. Speaker, I am informed that for some time negotiations have been going on between a negotiating committee of the Edmonton Public School Board and a negotiating committee of the teachers. Those negotiating committees have agreed upon and signed a memorandum of settlement. The terms of settlement, of course, must be ratified by both the teachers and the Edmonton Public School Board.

I am also told, Mr. Speaker, that the school board requested the Board of Industrial Relations to supervise the vote by the teachers on whether to approve the memorandum of settlement. I am also told that the representatives of the teachers approved that request, and the Board of Industrial Relations has agreed

to supervise a vote on whether the teachers will ratify the memorandum of settlement agreed to by their negotiating committee.

MR. HENDERSON:

I would just like to ask a supplementary question for clarification. I gather it was the ATA representatives on the negotiating committee who approved the question of a supervised vote, or was it the executive of the ATA?

MR. LEITCH:

I am afraid, Mr. Speaker, that I can't answer that question although I understand it was more than the negotiating team who requested the supervision of the vote.

PRIVATE BILLS (CONT.)

MR. LUDWIG:

Before we go into Committee of Supply I would like to rise on a point of order with regard to the private bills which just received second reading. I am not sure, but I believe that the procedure is irregular. The Private Bills Committee has not met not met yet, and these bills have now been introduced and read a second time.

It is my understanding that when you introduce a bill for second reading it is open for debate, but the Private Bills Committee has not cleared these bills at all. We have not met this year and I am wondering why this is so.

MR. ASHTON:

Mr. Speaker, on the point of order, if the hon. member would read the rules he would find that after second reading the bills are referred to the Private Bills Committee.

MR. LUDWIG:

With all due respect, all bills in past years have been cleared and approved by the Private Bills Committee before they came in here and I believe that has been the accepted procedure. I believe this year it is a different procedure.

MR. KING:

Speaking to the point of order, Mr. Speaker, I think the rules are quite clear if the hon. member would look at them. There is a slight distinction between the treatment of private bills and other bills in that it is generally considered that third reading is approval in principle. The private bills are referred to committee, and always have been, after second reading. But second reading on private bills is *pro forma* and the debate on the principle of them is at third reading, after the committee has considered them. It is set out in our rules and has been the practice in this House for years.

MR. LUDWIG:

With all due respect, Mr. Speaker, these bills for second reading -- we are approving the principle of the bill without debate or without any previous consideration. That is my submission.

DR. HORNER:

I refer the hon. member to our own rules 82, 83 and 84 for his further education.

MR. SPEAKER:

Possibly there is a conflict between the rules and former practice, but unless the House gives some direction it would seem that we should follow the rules.

MR. LUDWIG:

Mr. Speaker, then for a point of clarification, the debate on second reading of the bills, once they are approved is now finished. There will be no debate on second reading of these bills now. It is terminated according to this procedure.



[Interjections]

[Mr. Speaker left the Chair.]

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COMMITTEE OF SUPPLY

[Mr. Diachuk in the Chair]

MR. CHAIRMAN:

The Committee of the Whole Assembly will come to order.

Department of Advanced Education

Appropriation 3004 Universities (Cont.)

DR. BOUVIER:

Mr. Chairman, I wonder with the indulgence of the House if I could revert for a moment to Appropriation 3004?

MR. CHAIRMAN:

Is it agreed?

HON. MEMBERS:

Agreed.

DR. BOUVIER:

I'd like to get some information from the minister and probably get his reaction, and this probably involves the Minister of Education also. But it is my understanding that at present the high schools are on a semester system which terminates some time in January and the universities are either on or going on a semester system which will start about two weeks before the high school semester terminates.

Now the problem as I see it is that students who might have finished their Grade 12 at the semester in January might want to start university right away. If they live in Edmonton, I understand they might be able to arrange it by starting university before they actually finish their high school. But if they live in a rural area this would be impossible. I'm wondering if there is any thought of trying to coordinate the beginning of the university semester with the termination of the high school semester.

MR. FOSTER:

Mr. Chairman, the question is an excellent one and well put. Of course, we have the concern that the hon. member refers to. As you know, it is a decision of the institution, the university or college, if you just talk about those two, as to when they start and finish. And they are guided somewhat by the public school system, but not entirely. There is a difficulty here. We're interested in seeing better coordination than there has been in the past and perhaps my colleague, the Minister of Education, might wish to comment on this because he has been involved in some discussion.

MR. HYNDMAN:

Mr. Chairman, I think that certainly better coordination is the goal. I think, however, it must be realized that if the government at the provincial level is to inject itself into a very substantial degree of coordination, it directly requires an abridgement and a taking away of the local autonomy of the post-secondary institution involved and of the school board involved.

Certainly, I suppose it would be efficient if one could set down on paper and simply one could legislatively or by regulation pass laws stating what the school year would be in the province, the dates the semesters would commence or finish, and the dates that universities and colleges would commence or finish. But it would be our view, I think, if we can perhaps provide the incentives to have this coordination and also to urge coordination so there won't be too great a gap, this would be the best way to go about it.

One other thing should be remembered as well, and that is that I don't think we should always move along the channel of simply making it, or encouraging all students to go directly from school a week later or a few days later into a post-secondary institution. Because I think there is more and more evidence to indicate that after 12 years of formal education it may well be very wise for a student to get out into the working everyday world and experience, maybe for a month or two, or three or four, what the world is like, meeting people, before going on to some sort of advanced education. But certainly the hon. gentleman's suggestion about coordination is valid.

Appropriation 3018 Educational Television \$500,000  
agreed to without debate

Appropriation 3020 Private Colleges

Grants: \$680,000

MR. NOTLEY:

I wonder if we could have the minister advise the committee as to the breakdown of these grants, if that is possible.

MR. FOSTER:

Mr. Chairman, at the moment there are three private colleges which are supported under this particular vote, Camrose Lutheran College, Concordia and Canadian Union College in Lacombe. The vote provides for approximately 500 students, and that is broken down as follows: Camrose 290, Concordia 85, and Canadian Union College 125. The grant per student this year is \$1,180, which is a six per cent increase over the grant of the past year. And there is an additional sum in this vote to provide for some additional support for Camrose Lutheran College because they are offering a second-year program.

MR. CHAIRMAN:

No further questions?

MR. GRUENWALD:

What would be the rationale for a six per cent increase for the private colleges, when generally speaking we're looking at a sort of seven and a half per cent guideline?

MR. FOSTER:

Well, I would challenge I think, Mr. Chairman, that we are looking at a seven and one-half per cent guideline generally. Six per cent has been the guideline. We have extended that for this year. I should emphasize, however, that we are examining this question of a level of government support, public support, to private institutions. Not only that, but the role of private institutions -- should we have more of them, should we have fewer? What kind of programs should they be offering? How do they coordinate with other institutions in the advanced education community? So all of these things are under review.

MR. NOTLEY:

Mr. Chairman, how would the per pupil grant compare, Mr. Minister, with the public colleges? It's going to be slightly less, but what would it work out to?

MR. FOSTER:

I've forgotten the precise figure. It's about \$1,700, I think, in the public colleges and \$1,100 in private colleges.

MR. NOTLEY:

If I might just follow that up. What is the rationale? I can see the argument for not providing any money to private colleges. I can see the argument for providing as much, on a student basis. What is the rationale for approximately two-thirds as much?

MR. FOSTER:

Well, I'm not sure what the rationale is. In terms of the past, Mr. Chairman, I inherited a situation where this existed. This was the level of

support. The public colleges at that time were somewhat higher than the private college support which is true today. It is also fair to say that the public college support has been steadily increasing over the private college support.

But I come back to my earlier remarks about this question of the level of support, by public funds, which we should provide to private institutions. What level should it be? Should it be 100 per cent with the public colleges? Should it be nothing? What should their role be? I know that the private colleges are anxious that we do consider this. They are very anxious, I think, in some cases to be brought to the same level as the public colleges. I have some concerns about that.

With the sorts of questions I have identified, it's very difficult for me now to start drawing answers to those questions because we haven't yet concluded our examination.

MR. STROM:

Mr. Chairman, in regard to the program that is provided in the private colleges, do the colleges not have a little more freedom in determining the curriculum by the very nature of the fact that they are not helped to the same extent as the public colleges?

MR. FOSTER:

Yes.

Appropriation 3020 agreed to: \$680,000

Appropriation 3021 Grants to Further Education

MR. LUDWIG:

Mr. Speaker, with reference to this vote, can the minister advise how much participation there will be with regard to this vote in the vocational colleges, such as the Alberta Vocational school in Calgary and the one in Edmonton?

MR. FOSTER:

Mr. Chairman, this particular vote was the subject matter of an announcement which I made in the House a day or two ago concerning support to school boards for non-credit courses. And we are not directly involved in the vocational centres, except that from a coordinating point of view with continuing education programs they would be involved. I suspect that in Calgary, for example, there would be a contact by the Calgary Public School system, and the separate school system offering non-credit courses, but there would be some contact with the officials in a working arrangement with the AVC there. It may be that some of these courses would be offered in that facility, although I doubt it.

MR. CHAIRMAN:

Agreed on 3021?

MR. STROM:

Mr. Chairman, in this Grants to Further Education, I note that it deals with coordination there. I am wondering if the minister could tell us the level of assistance the federal government provides in some of these programs, or would it appear in some other vote later on?

MR. FOSTER:

I'm not sure I understand the question, Mr. Chairman. Is the hon. member asking to what extent does the federal government contribute to the \$400,000?

MR. STROM:

Mr. Chairman, I didn't think necessarily that they were contributing to the \$400,000, but I'm thinking in terms of programs for adult education. Is there anywhere where the federal assistance in adult educational programs shows up?

MR. FOSTER:

First of all, Mr. Chairman, as a rule of thumb I think it is fair to say that the federal government contributes approximately 50 per cent of all costs

beyond and including Grade 12. So that would be built in from a revenue point of view in this vote. Certainly the federal government, through its agencies, is involved in acquiring space, or buying space if you will, in institutions which the provincial government operates either directly or indirectly.

Appropriation 3021 agreed to: \$400,000

Appropriation 3025 Further Education - Administration \$56,030  
agreed to without debate

Appropriation 3040 Community Vocational Centres - Northeast

Equipment and Maintenance: \$19,400

DR. BOUVIER:

I'd like to ask the minister for a general outline of the programs he visualizes in this centre, and to probably explain the size of the appropriation, which I notice is about one-third of what NewStart used to spend and is about half of what is visualized for Community Vocational Centres - Northwest. I'd like him, in his general comments as to what he visualizes as the program in the area, to state what the future role will be of Pa-Ta-Pun.

MR. FOSTER:

Well, first of all, Mr. Chairman, when you are looking at 3040, you also I think, should have some regard for 3062, 3063, 3070, and I think generally that's it. It's quite not fair to suggest that 3040 is the only vote from which funds will be gleaned to serve the educational interests to which the hon. member has referred.

I will also say, with respect to the level of support that we are, as you know, just starting up the AVC, the vocational centre in Lac La Biche. In fact, as of April 1 we officially opened the Alberta Vocational Centre at Lac La Biche which was the site formerly operated by NewStart and partially operated by Pa-Ta-Pun, as you referred to.

As the hon. member is aware, that AVC in Lac La Biche will have the responsibility for smaller community vocational centres, and I think in Pignle and Chard and other areas. I don't know how far you want to go in terms of programming. I think you know our interest in terms of providing opportunities within that region for the people of the community.

With respect to Pa-Ta-Pun, it's our hope that Pa-Ta-Pun as an organization, will be able and willing to assist us in identifying members of their particular group and people who could benefit from this experience in the centre and that will assist us in counselling and follow up work with the Native people. We have had some discussions with them, generally in that area, in which they can cooperate with and assist advanced education. I know my colleague, the hon. Allen Adair has had further discussions with them on ways in which the Pa-Ta-Pun organization can participate in other areas of government, exclusive of advanced education. We have also been discussing with him the level of support we can provide for them to accommodate to this service. I don't know if there are other details you want to pursue or not.

MR. TAYLOR:

Mr. Chairman, I wonder if the hon. minister would advise the House if records are being kept that will be valuable in years ahead. I personally think there is a lot of merit in the NewStart program. I am wondering if records are being kept that can be compared with similar boys and girls who have not had the advantages of NewStart.

MR. FOSTER:

Mr. Chairman, a good point. The NewStart program did, during the course of its life, provide us with a series of reports which we were able to receive after it went out of existence. We now have all of those reports; they are being used and examined by the officials of the department. NewStart obviously learned some things that we could benefit from and no doubt we will learn many more.

DR. BOUVIER:

Mr. Chairman, I was wondering, did I understand you to say that Pa-Ta-Pun will still be funded somewhat by the government, and what department will they be funded by now?

MR. FOSTER:

They will be, to the extent they can assist us, that is in Advanced Education. They will be funded by us to the extent that they can assist and participate elsewhere in this business of government. They would be the responsibility of the hon. Alan Adair. It is just entirely possible that they should be, in fact, funded from one source even though they are performing several functions and several services, and I feel this is the way we are moving, in which case they would come in that sense under the jurisdiction of the hon. Alan Adair.

MR. CHAIRMAN:

No further questions on 3040?

Appropriation 3040 agreed to:

\$563,670

Appropriation 3055 Southern Alberta Institute of Technology

MR. LUDWIG:

Could the minister advise whether there is a decline in interest in the vocational colleges in Alberta or the tech. schools in Alberta, and particularly the one in Calgary. I was under the impression there was -- SAIT, yes -- I was under the impression there was a tremendous amount of student interest and fairly high enrollment in this school and I notice that the capital works program is very much less now than it had been in previous years. Is there a policy to perhaps mark time for a while and not proceed with future development as had been the case several years ago?

MR. FOSTER:

With respect to interest, Mr. Chairman, by students, I think all we can do is examine the record of student attempts to enroll in the institution. I think they are as high if not higher than ever, so my assessment would be that both SAIT and NAIT are extremely popular because they are regarded as extremely useful institutions to the student community in the sense they are highly employment orientated and students see a larger measure of success coming from that kind of experience than from other opportunities in advanced education.

With respect to capital, we are currently reviewing long-range capital projects -- capital funding for both institutions. I think it would be quite incorrect to suggest that there is any lack of interest or concern on the part of the department with respect to the future and that this is somehow reflected because we are not building a mass of new structures. We certainly are examining how we can assist SAIT from a capital point of view to provide additional space for students on that site. At the same time I might add -- and I think I said this earlier -- that we are encouraging SAIT and NAIT to explore with the public college community, as to how the public colleges in the other centres of Alberta outside of Edmonton and Calgary might also offer vocational programs there, either in cooperation with the institutes of technology or entirely within the college.

MR. LUDWIG:

Mr. Chairman, I was aware of the fact that interest in the two tech. schools in Alberta is very high, and I also believe they are two of the finest tech. schools perhaps in Canada, if not the finest, and that student interest is very high and also that the students who graduate from these tech. schools have a pretty good record of placement and employment. I am just drawing the minister's attention to the fact that in NAIT the only capital works project under DPW is \$400,000 for mechanical and electrical equipment. There is not a single dollar provided for any physical space expansion.

AN HON. MEMBER:

At NAIT?

MR. LUDWIG:

Yes, NAIT, and that the only projects for which any budget appears in evidence are those that are now in progress, and so I am saying that really when these are finished that at least for this year nothing further will be done. There is nothing planned as far as the present DPW budget is concerned.

And with regard to SAIT, I see that the trade and technical engineering complex is planned to commence -- I believe that was part of a previous plan, that we are almost obliged to go ahead with this to complete a previous program -- and the Arrow Building to commence, revoked of \$1 million.

Outside of those two previously established programs, there is really nothing new in the program to indicate that we are perhaps paying as much attention to this field of education as may be required.

I am of the opinion, Mr. Chairman, that we are, in fact, rather downgrading this whole operation and, even though the minister says that there is some interest shown in perhaps dovetailing operations between colleges, I believe that this is only in the thinking and talking stage and there are no real plans to perhaps have SAIT and NAIT students accommodated in colleges other than on the two campuses which are available now. This is just my opinion but I believe that that may be so.

I wonder if the minister can elaborate whether in fact, in light of these figures, that the dynamic program of capital or physical space provision of the two colleges will be somewhat restricted.

MR. FOSTER:

Mr. Chairman, with great respect, I don't think it is quite fair to suggest that NAIT and SAIT are being restricted. Certainly they have demonstrated an exceptional appeal to students. If you want to talk specifics about NAIT for example, you will notice that there is \$1 million to complete the parking structure; \$500,000 as this major student activity centre is being constructed over there.

That, you can argue is not learning space, I think I would take issue with that. In fact, as you know, we have had some discussions concerning the possible expansion of NAIT in a major way. There is some concern however that perhaps NAIT could use some of its space more efficiently and I am no judge of that at the moment.

Our capital planning officers are completing an examination of the future requirements of NAIT and SAIT as we are best able to judge them and the kinds of facilities we will require to accommodate the kind of demand we see for student services in the coming years.

The simple fact, Mr. Chairman, that there aren't "X" million of dollars under capital construction on that site today, should not be taken as a suggestion or an indication that government does not support these institutions or is not anxious and concerned about their future.

MR. LUDWIG:

With all due respect to the hon. minister's reasoning, I am looking at the figures and I am saying that next year, that is this year, up until this fiscal year that nothing will be planned or commenced as far as construction is concerned at NAIT, outside of completing the previously commenced projects.

And I am not saying that maybe isn't the right thing to do but I am just bringing the attention of the hon. member to this fact that, even though activity is high in these areas and the government is very vitally interested, it appears that we are marking time in these two schools. And also the budget, the vote 3055, a total increase of 6.3 per cent. That is hardly enough to absorb the increased cost due to inflation alone. There is no provision for anything additional at all in that vote -- the 6.3 per cent increase in the Southern Alberta Institute of Technology budget. Vote 3055 will merely absorb that particular -- and I am not finished making my remarks yet, Mr. Minister -- school.

And when you look at the next one, the Northern Alberta Institute of Technology 7.8, this is merely absorbing the additional cost due to inflation alone and hardly anything else. You can't say that a 7 per cent increase in a budget for any school is an increase from last year to this year. You might think so, but I don't buy it. I think it's merely covering the fact that we

expect the same operation with no increases whatsoever -- to cost that much more.

When you talk about construction I must repeat that whatever the minister says does not alter the fact that in NAIT in the next year there is not a single bit of construction planned. And when I say "planned", perhaps to plan and commence these things may take three or four years to design and finalize before they go to tender. So it isn't a case of we're doing something -- we're thinking. You think you're doing something next year, but you're wasting two years and then you have to wait a couple of years or so before anything can materialize because you can't prepare large complex educational buildings for tender in a matter of several months. I believe that is the experience of the Department of Public Works.

So I am saying notwithstanding that there is a possibility of a tremendous increase in demand for space and facilities bearing in mind the continued economy and expansion of Alberta and heavy spending of government and industry and the fact that the graduates from the tech. schools are being absorbed -- there are not too many of them looking for jobs. I think the government is remiss in not focusing, not drawing more attention to this issue and getting on with providing additional facilities.

We can all talk about contracting space from the colleges, but I believe the colleges need the space they have. So I'm not buying that argument entirely. When you look at the Southern Alberta Institute of Technology outside of those two buildings which were previously programmed for, you are simply not looking at any new construction, notwithstanding the student pressure and the demand from government and industry for skilled graduates, skilled craftsmen and technicians and professional people.

I think we may lose valuable time and find ourselves not equal to the occasion unless we move in this area immediately. As I pointed out, Mr. Chairman, the 6.3 per cent increase in vote 3055, if you take an overall view of thing, is not, in fact, an increase but we are standing exactly where we did last year.

MR. DIXON:

I wonder if I could ask the minister -- regarding the activities in Calgary a number of years ago there was talk of part of SAIT being moved over to where the Mount Royal College area is now in Lincoln Park -- what are the plans, are there any plans, or is that pretty well forgotten?

MR. FOSTER:

Mr. Chairman, I am not personally aware of any discussions that may have taken place concerning the transfer of portions of SAIT to the new Mount Royal campus. I assume that those discussions were taking place. Currently, Mount Royal campus does exist; it's functioning as a public college today and obviously so is SAIT.

I think in the future -- in fact I know -- that we will be very interested in assessing the role of Mount Royal College, SAIT and the Alberta Vocational Centre in downtown Calgary to discover how we might best and most effectively deliver the various programs that are offered by those institutions. In the case of Mount Royal College that is something we will discuss with their Board of Governors relevant to the discussion we had yesterday about the role of institutions and the sort of programs they should be offering.

The programs division of the department will carry out this assessment. It may be, in fact, there are some programs offered in one of the institutions, or whole areas of programs, that might more conveniently be transferred from one institution to the other to achieve this end. That's something we will certainly have a look at.

MR. DIXON:

Mr. Chairman, to the minister. I'm sure that you, as well as some of the other members, received a brief from the Alberta Chamber of Commerce and in particular the one regarding the education part of their brief, which was a special brief. I think Mr. Chapman was the chief spokesman for the Alberta Chamber of Commerce.

They seemed quite concerned with the fact that education in itself, that is the vocational end of it and the academic, are becoming too closely aligned. They see a danger there because they feel that in the business world the people

at the academic end of it -- the university end of it -- do not appreciate the problems that businessmen have in working with the educational field.

I'll just quote one or two brief remarks from the brief, and I wonder if the minister would comment on them with the idea, is your Department of Advanced Education doing any research into trying to find out if we can get the cooperation of both the business community and the academic community to try and overcome the concern that the businessmen in our province are expressing to us? They were quite concerned when they hear statements like this, a statement by Dr. Lloyd Dennis at the Edmonton Teachers' Convention:

Man invented machines so he could be relieved of the burden of work and our record of seven percent (7%) unemployment should constitute a measure of success -- ninety eight percent (98%) employment is a worthy national goal.

Now this is what concerns people when they hear that from some of our people in the higher educational bracket.

One or two other quotes he brought to our attention in the brief I thought were worthy of comment too. I just can't put my hands on them at the present time, but anyway -- yes here is another one --

Schools must turn out human beings prepared for the art of living not fodder for a spiritually-bankrupt, dying, industrial society.

Now their concern is they are going to have difficulty in encouraging our young people to go into the business and work field if this sort of thing keeps up. I could go on with a lot of other observations. They go on to say,

There is the observation by many that the educator regards himself as the fountain of all knowledge and he has a diploma or degree to prove it, in theory, anyway. There exists the thinking that other bases of learning such as a work experience and other methods of learning are not as "credible" This assumed superiority of intellect within the educational community is judged by many as being a major factor against the corroboration and understanding of others.

My question is, Mr. Minister, how can we help overcome this apparent conflict that has broken out into the open between the business community and the academic community, or what we often refer to as a higher academic community, within our province?

MR. FOSTER:

Well, Mr. Chairman, that is rather a tall order on Estimates to reply to the Chamber of Commerce in their brief.

Let me see if I can frame the concern of the Chamber of Commerce as an old Chamber of Commerce supporter and officer myself. I think the concern with some aspects of the business community is that they have, in their view, found somewhat more success in hiring people who are trained and equipped to come on the job or into the office on day one and perform. By "perform" I mean successfully do a job and make a dollar for them -- an immediate return. Their concern, conversely, with the "academic community" is that when they gain a graduate in arts, for example, who comes to work for a firm they find they have to train that individual even further before that individual is useful, in the way defined by business, to the business community.

Now, it was ever thus and hopefully will be, because there is a great difference between hiring someone as a skilled operator, technician or what have you, to go to work today and do the job and hiring someone else who has an academic background -- a liberal arts background -- an ability to think, to assimilate information, put things together, and come up with ideas eventually leading to conclusions.

I think it's a little shortsighted, frankly, of the business community if they are expressing grave concern over the level of ability of those who are graduating from our universities. And to suggest that they are fodder for a spiritually-bankrupt and dying society, in my judgment is absolute total nonsense and I would reject that categorically. I have some doubt that the Chamber of Commerce allied themselves with that particular phrase. If they have, I'm very surprised.

I don't see, Mr. Chairman, that there is essentially a conflict between the interests of the business community and the interests of what I might call the university community. If business feels that there is, they should look around



because there are a great many people in their organizations, probably from the office of president or chairman of the board, or what have you, entirely throughout their organization which is staffed by university-trained people or university-educated people. And I think it is a little shortsighted of the business community if they are saying that they have no opportunity or use for graduates of universities.

I'm sure they are not saying that and I don't wish to misrepresent it. But at the same time I sometimes think we make too much of the inability of business to accommodate university-trained people. And I'm not very sympathetic because we need in our society and in our civilization large numbers of university-trained men and women, and there can be no doubt about that.

With respect to the work experience program, I perhaps should advise the House it is very timely that the University of Lethbridge, when we talked about this yesterday, has been anxious for some time to commence a work experience program within that university. This is essentially a circumstance where students are able to work for a period of time within the community of Lethbridge, for example, and return for a period of time to formal studies. And this will go on really outside the traditional academic year.

Thus it is that the Department of Advanced Education and the University of Lethbridge were pleased to announce today that a four-year \$440,000 pilot program, aimed at the work study experience has been approved for the University of Lethbridge. It was previously approved by the commission. We're prepared to carry it on and look forward to funding it in the course of the four-year period.

Certainly that kind of initiative by the university community should be lauded, in my judgment, by those in the Chamber of Commerce or in the business community. But I come back to my earlier comment. It's just too simple to suggest that business is critical of university graduates because, in my view, they should not be, for obvious reasons.

MR. DIXON:

Mr. Chairman, I wonder if I can carry on for a moment. I just want to correct something the hon. minister said. It wasn't the Chamber that was complaining about the statements. They were complaining about statements that had been made by high-ranking academic people to our Alberta teachers.

This wasn't what the Chamber was complaining about. Statements such as: "Schools must turn out human beings prepared for the art of living, not fodder for a spiritually bankrupt dying industrial society." -- that statement was by Dr. Lloyd Dennis, a director of education for Ontario, to an assembly of hundreds of Edmonton school teachers.

MR. FOSTER:

Mr. Chairman, on that subject. I think if the educational community -- parts of it -- wish to encourage the other areas of the educational community for higher levels of achievement and success, and encourage them to develop greater motivation in the performance of their skills and professions -- great. I'm sure that applies to all of us. I'm just not one who happens to agree with any suggestion that the university community, the student community today is described or typified by that phrase.

MR. DIXON:

Mr. Chairman, the thing I think they were concerned about, Mr. Minister -- and this is one of the reasons I asked you the original question -- they sort of feel that if you get your academic and a vocational training too close together, they feel, I think, that there should be -- the academic field is one field, the vocational field is another field. And I don't think you look favourably upon governments trying to make everyone come under control of the academic field rather than keeping them separate.

But I just give you this statement here -- I think -- Mr. Minister. This is a concern that they have. They feel that there is no cooperation between the business community in Alberta and the academic community in Alberta.

In general, however, we meet (this is the Chamber) and talk with the academic community but we appear in reality, in respect of philosophy and doctrine, to be almost as far apart as the two poles, instead of being magnetically brought together because of the need for joint survival.

I think we all agree we need both university and the business community. And I am wondering what the government is going to do to see that this doesn't go any further than it is. It may not be as serious as the Chamber is pointing out. But I think if we can prevent it, or you in particular as the Minister of Advanced Education, by trying to get these people together more often to talk over these problems and call some meetings and say, "What is the problem? Lay it on the table. Let's discuss it."

MR. LEE:

Just speaking briefly to the point that was brought up by the hon. Member for Calgary Millican. I think the capacity is already there to answer the Chamber's concern. And this is in the whole aspect of the advisory concept as related to post-secondary kinds of functions.

And just to relate an example: at the technical institutes right now, there is a very extensive use of advisory committees in the development of programs and the evaluation of programs and even, to a great extent, the instructional parts of these programs.

It may have to involve a more extensive use of this advisory kind of capacity all through the post-secondary community. We may have to formalize a lot more of this advisory committee kind of concept.

Just as an example with a particular program in Cooking, for instance. We may have to formalize a little bit more that people on advisory committees will be representatives of particular kinds of associations and will represent perhaps major employers rather than the kind of ad hoc way we use now in establishing our advisory committees. But the machinery is there for this kind of thing.

I have spoken before on this and I think that the advisory committee as attached to specific programs in institutions and also in industry can play a real role. For instance, we can initiate these work-study, work experience, industry-based kinds of experiences as attached to a specific course. So it's not all going to happen right within the institution itself.

But I would like to say that it's a two-way street, too. The business community has to show a willingness to participate in these kinds of things. They've got to be willing in negotiations to release their employees for work studies. If, for instance, a particular course is only available at 3:30 in the afternoon, are employers prepared to let their employees go for an hour, or an hour and a half at that time of day? So it requires a lot of flexibility on their part. It requires flexibility on their part in accepting people who are enrolled in particular post-secondary courses to take an internship, an on-the-job work experience in a flexible kind of way. So that the advisory part is there.

I think that it also provides a better link in which we can recruit instructors, we can recruit equipment and so on. We can use facilities outside our institutions in melding together the business and the academic kinds of instruction. And most certainly the minister and the arms of his department can play a great role in facilitating this kind of thing. But I'd stress again that it's a two-way street.

MR. DIXON:

Mr. Chairman, I would like to give credit to the university in one respect where they have tried to cooperate with the business community. I attended -- and I think one or two other members may have attended -- the meeting that was called by the Commerce Department of the University of Calgary regarding the shorter work week. And this is the sort of thing I'd like to see more of, because there was a good turn-out, a good discussion, and I feel this is what we need. If there is a problem I think those are the types of meetings that will bring them together rather than even trying to tell an employee to take a half a day off or something. I think we should bring them all together, employees and employers, the university and the students, faculty and students.

I was most impressed with that meeting held three or four months ago. And I think this is the kind of thing I'd urge the minister to encourage as far as the university is concerned. I think this is the thing that will break down this feeling of -- well, what's the use, I don't want anything to do with the university. I wouldn't want that to happen, because we have some wonderful universities in Alberta. And if our business people are a little disappointed with them, it is probably a misunderstanding rather than something that is actually happening.

MR. CHAIRMAN:

No further questions?

Appropriation 3055 Southern Alberta Institute of Technology \$9,968,090

Agreed to without debate:

Appropriation 3056 Northern Alberta Institute of Technology \$10,435,550  
Appropriation 3057 SAIT - Second Occupational Training \$50,000  
Appropriation 3058 NAIT - Second Occupational Training \$50,000

Appropriation 3059 SAIT Apartments

MR. DIXON:

Mr. Chairman, I wonder if I could ask the hon. minister a question. How are the apartments turning out? We had problems because they were not wanting to pay their rent some months ago. A lot of people are concerned. They wonder whether we should be in the business at all of supplying accommodation for short-term use as far as students are concerned. I was just wondering how it is working out, just so we can have some answers to some of the criticisms we do get from people -- in particular the mayor of Calgary, who was quite concerned at the time it was built. He felt that private enterprise could look after it. I just wondered if the minister has any remarks on that.

MR. FOSTER:

The problem to which the hon. member referred, Mr. Chairman, was the situation some months ago of water supply and heat supply within that apartment complex. As a result, the SAIT student association decided to withhold rent until that was remedied. I might say the apartment complex is owned by the Alberta Housing Corporation, and not at this moment by SAIT. Discussions are going forward in which that may well be transferred to either the Department of Public Works or Advanced Education.

If the hon. member is raising the whole question of residences on sites of post-secondary educational institutions, he raises an excellent question. The last residences built in the college system were at Red Deer. That was somewhat of a trial because the Colleges Commission said at the time they would like to assess the success of that particular complex before making any decisions with respect to residential accommodation in other colleges. I'm informed that the apartment complex in Red Deer College is not only filled, but heavily over-subscribed. There are many, many people who want to get in. The SAIT apartment complex exists almost on the site at SAIT, but is the property of the Alberta Housing Corporation at the moment.

Appropriation 3059 agreed to: \$250,000

Agreed to without debate:

Appropriation 3062 General Administration - Vocational Education \$ 777,010  
Appropriation 3063 Other Vocational Training \$1,964,050

Appropriation 3064 Alberta Petroleum Industry Training Centre

MR. DIXON:

Mr. Chairman, I'd like to ask a question on this. I was wondering if the minister could explain something to me. I imagine the federal government must participate in this plan because most of the drilling activity now, or a lot of it until your incentive program came along, was in the far north. That's where they are having problems getting trained personnel. What cooperation is there on this program with the federal government?

MR. FOSTER:

I can check, Mr. Chairman, but I believe that the federal government fund is 50 per cent, the same way they do it with most other advanced education. That may be incorrect. I'm not sure. The increase in this, as the estimates indicate, is due to greater activity in the programming end of the school. If you'd like detail on financing, I can get it for you.

MR. NOTLEY:

On this particular appropriation, I'm wondering if the minister could outline the courses that are provided. Also, I understand that the facility is in Edmonton. We've made an investment in a plant facility which we really can't move, because it seems to me that we are looking at an increase due to northern drilling. This is one of the areas, as I suggested last night, that might be accommodated by the Fairview College.

MR. FOSTER:

I don't have the details with me on the specific courses offered by this particular centre, but I can get that for you.

Your point about decentralization of educational facilities is valid -- not necessarily in this specific instance, but the concern is valid. That's something we have in mind, too.

Appropriation 3064 agreed to: \$243,420

Appropriation 3065 Alberta Vocational Centre, Edmonton \$1,642,060  
agreed to without debate

Appropriation 3067 Alberta Vocational Centre, Calgary

MR. LUDWIG:

On this vocational centre in Calgary -- I believe until recently the Mount Royal College was intended to have amalgamated with or taken over this college. In fact, I note, that in the construction of the vocational college in some of the change orders that were given, Mount Royal College had some input in that regard, and some changes in the construction or the interior finishing of this college were made at the request of Mount Royal College. At what time was a decision made that that college would not come under the jurisdiction of Mount Royal College? The vocational centre in Calgary?

MR. FOSTER:

Mr. Chairman, at the time I became minister of this department there was a directive by the previous minister that an examination or study should take place leading to the eventual merger of the Alberta Vocational Centre in Calgary with Mount Royal College. At the time that proposal was put forward, Mount Royal was not yet constructed -- as I recall it was on a downtown site. I'm guessing, but I think the thinking behind it at that time was that it would be desirable, probably from Calgary's point of view, to have a downtown educational facility of some kind.

At that time I think there was some concern over urban renewal and that kind of question, and Mount Royal had decided to go to south Calgary. At that time, though, the decision was taken to move to new premises the Alberta Vocational Centre of Calgary. You will recall they had only been in that site for a very short period of time. Prior to that they were more in the heart of downtown in rented space. This shiny new building is now in the area; it is the vocational centre and we have been carrying forward, until now, the question of this merger of the two facilities.

Interestingly enough, there was no examination made of other alternatives, for example, the possibility of allying the vocational centre with SAIT. Some would argue that would be a more logical marriage, if you will, because of the kinds of programs offered in both centres. That was not done. We have, for some time, been examining -- and my thanks to the members, particularly the Alberta Colleges Commission who did a great deal of work on this, and the cooperation obviously of Mount Royal College and our staff at the AVC -- this entire question and felt that while there were some benefits educationally, there were also some rather considerable expenses involved in this, to the tune of well over \$150,000 or in that area.

The staff of the AVC in Calgary was not excited about this particular merger and expressed some concern about the integrity of programs and the security of them; although, on the one hand, they perhaps would benefit from this merger, because they might be receiving remuneration at a higher level.

So we have chosen to abandon the specific proposal to merge both institutions in favour of an examination of other alternatives, of either some other merger down the road, or some involvement with SAIT or some other kind of educational authority, to which I think I referred last night as we talked about

governance generally. I used the example of Edmonton and Grant MacEwan College and NAIT and the AVC. For the moment, the AVC remains part of the Department of Advanced Education, working very closely, I might add, with SAIT and Mount Royal College.

MR. LUDWIG:

Have consultations taking place between the Mount Royal College people and the Colleges Commission and yourself to determine -- was this all worked out, or was this just a decision made by the minister?

MR. FOSTER:

This consultation had been going on before I came to office and extensively in the course of the last year. We received a final report on the proposal concerning this merger identifying the advantages, the disadvantages and the possible expense involved. On that basis I discussed it with the staff. I went to Calgary and discussed it with the staff in the centre down there, with the officials of the department, with the Board of Governors of Mount Royal College and weighed both pros and cons and opted for the decision we have taken.

MR. LUDWIG:

The Alberta Vocational Centre in Calgary will be under the jurisdiction of the Colleges Commission, or whichever board takes its place, or will it be directly under the jurisdiction of your department?

MR. FOSTER:

The vocational centre in Calgary has always been under the jurisdiction of the department in the same way that SAIT and NAIT are under the jurisdiction of the department, and there is no change in that. It wasn't that something was changed, really nothing was changed. That is the decision.

MR. LUDWIG:

What is the future of this vocational centre now? Are you recommending that it be operated in conjunction with SAIT, or what is the future of this college?

MR. FOSTER:

Mr. Chairman, we are recommending, first of all, that SAIT and the AVC and Mount Royal College operate closely together, obviously because they are pretty substantial educational institutions within metropolitan Calgary. In terms of governance we are saying at the moment that the SAIT and the AVC will continue to be directly operated by the department.

However, as I indicated in earlier discussions in the House, we have asked NAIT and SAIT to consider internally this question of governance. My information is that at the moment NAIT and SAIT would prefer to remain as institutions of the Department of Advanced Education rather than become independent in the way the colleges and universities are.

Interestingly enough, I get the impression that several years ago the reverse was true in terms of the attitude of the people in the institutions. It may again come to pass that the institutions feel that they would rather be involved with the governing authority external to government. But that is something we will continue to monitor and assess from time to time.

MR. LUDWIG:

Is the vocational centre in full operation at the present time or is it not operating?

MR. FOSTER:

Oh no, it is still operating.

MR. LUDWIG:

And you could tell me what the student enrollment is at the centre at the present time?

MR. FOSTER:

I am sorry, I don't have that detail here, I can get it later. But it is fully operational. I would have to guess, 300, 500, 800 students.

MR. LUDWIG:

Do courses in this centre lead toward credits perhaps, towards high school diplomas, senior matric.?

MR. FOSTER:

Yes.

Appropriation 3067 agreed to:		\$1,116,150
<u>Appropriation 3069</u>	Alberta Vocational Centre, Fort McMurray agreed to without debate	\$2,078,620
<u>Appropriation 3070</u>	Vocational Rehabilitation agreed to without debate	\$1,263,700
<u>Appropriation 3073</u>	Overseas Project	

MR. NOTLEY:

I wonder if the minister could advise us just on what basis this appropriation is based, how the particular project is determined and what other projects, if any, the government has in mind once this project is completed.

MR. FOSTER:

Mr. Chairman, this is a project that comes about on behalf of the Canadian International Development Agency, CIDA, at the initiative of the federal government. It is a cooperative venture wherein the Province of Alberta in this particular case -- other provinces cooperate in other areas -- of provides staff and their expenses for projects identified by CIDA.

In this case we are working with the technical high school in Benin City, Nigeria. I might add that 100 per cent of all the expenditures of this vote are reimbursed from the federal government, so our staff if you like, is really seconded by this agency, funded by the federal government for this work in Nigeria.

MR. NOTLEY:

To follow that up, Mr. Minister, then the determination of what the project is, is a federal responsibility rather than one which is discussed with the province. We simply supply staff as requested, I take it. Do we?

MR. FOSTER:

Yes, that is true. However I am sure that the province has the right to say, "Well, we prefer not to participate in that specific project and maybe offer it some other." To that extent we have the right to decide whether or not we wish to participate, obviously, but the need is identified by federal authorities and not by the provinces.

Appropriation 3073 agreed to:		\$219,330
<u>Appropriation 3074</u>	Alberta Vocational Centre, Grouard agreed to without debate	\$1,012,470
<u>Appropriation 3075</u>	Community Vocational Centres-Northwest agreed to without debate	\$920,270
Appropriation 3016	Vermilion College (Cont.)	

MR. COOPER:

Mr. Chairman, I would like your permission to revert to Appropriation No. 3016. Apparently it was dealt with last night, and as you and I know we couldn't attend the sitting last night.

MR. CHAIRMAN:

Mr. Cooper, 3016.

MR. COOPER:

Yes, 3016, Vermilion College.

MR. CHAIRMAN:

Agreed.

MR. COOPER:

I wonder if the minister can tell us if the college at Vermilion will continue to operate on the present pattern, or are there any changes planned? If so, what are they? And I have one or two more --

MR. FOSTER:

First of all, Mr. Chairman, yes, the college will continue to operate at its current level. However, the hon. Member for Vermilion Viking realizes, I know, from previous discussions with me, that like Fairview and other smaller institutions operated by the department we are examining their role and their function to discover whether or not the role of that institution should be carried on as it is or whether it should be extended or changed.

But specifically with respect to Vermilion, there have been discussions with the Saskatchewan government with respect to possible areas of cooperation, as you know, involving the Vermilion College, the Lloydminster community and areas east into the province of Saskatchewan. In fact, the minister from Saskatchewan and I have met on several occasions and discussed this in general, twice in specific and on one occasion we went to Vermilion College, took him to the institution to see what was there.

We have commenced a study in cooperation with the Saskatchewan government for the establishment and provision of college facilities within that region of both provinces, to incorporate the use of the facilities of Vermilion College and possibly other facilities in Lloydminster large enough to accommodate, I'm sure, the St. Paul region as well. That study is now in process involving both governments. We expect to have a report which will identify the feasibility of such a venture and at that time we will then discuss the future of the college with the representatives of the public, such as yourself and the Member for Lloydminster and others, concerning the possible establishment of a college serving that region of both provinces.

The Saskatchewan government, in my estimation, has expressed real interest in these facilities and a possible joint venture. I think we have identified the region, Maidstone in Saskatchewan, Lloydminster and Vermilion. It may be that somewhat better use of the Vermilion College may be made by Saskatchewan students rather than students from within the pool of that area. I can't be more definitive, I think, than that.

MR. DIXON:

Mr. Chairman, while we're on the subject of Vermilion College --

MR. CHAIRMAN:

One moment, Mr. Dixon. No further questions, Mr. Cooper? Fine. Mr. Dixon.

MR. DIXON:

Thank you, Mr. Chairman. Speaking of Vermilion College the hon. Member for Lloydminster this morning, during public accounts, made a statement that there was a \$125,000 hog barn built and apparently it wasn't fit for the pigs to live in. The hon. gentleman who was answering the question this morning said he wasn't that familiar with it and he wasn't sure whether it was your department or the Minister of Agriculture's department -- so I was wondering what is the building being used for then if it isn't used for the purpose for which it was built.

MR. FOSTER:

Mr. Chairman, I haven't been through the hog barn. I guess perhaps I should. I have been through the rest of Vermillion College pretty well except some of the barns.

The hon. Member for Lloydminster probably knows more about this than I do. I'm sure he's been through the hog barn and discovered whether or not there are hogs in the barn. If he says there are none, I take his word for it -- there are none.

Exactly when that structure was constructed I don't know. I don't remember, I could check and find out. As to its use today and possible use tomorrow, I could also enquire further, which I shall.

MR. DRAIN:

Mr. Chairman, maybe the hon. Member for Lloydminster can explain about the hog barn and the pigs.

MR. J. MILLER:

Thank you, Mr. Drain. I'm pleased to make a few comments if I may, Mr. Chairman.

The cost of the barn as I understand it was \$149,000 and there are pigs in the barn, but the thing is that there is something wrong with the barn. The pigs get nervous, don't do well and eventually die.

I would like to know who designed the barn and why it won't work, because that is a lot of money to spend for a pig pen.

MR. LUDWIG:

Mr. Chairman, I wonder if the hon. member might explain that perhaps this particular fear of the hogs is enhanced when the hon. Minister of Agriculture happens to visit ...[Inaudible]

MR. CHAIRMAN:

Order.

MR. RUSTE:

Mr. Chairman, in the research the hon. Member for Lloydminster has undertaken in this, has he checked to see whether or not the designer of this made a request to those who may occupy it as to what the suitability was?

MR. CHAIRMAN:

Mr. Notley. Something on a more serious note.

MR. NOTLEY:

I wonder if we can pass from the Vermillion School of Agriculture hog barn for a moment. I want to commend the minister for discussing with the Government of Saskatchewan the joint use of facilities, even if it involves, perhaps, the eventual use of a hog barn where the pigs tend to be a little nervous.

But this really brings me to 3017, the Fairview College, again because last year, if you recall, I mentioned in the Estimates that it struck me that another area where the two provinces can sit down jointly and consider advanced education facilities would be in the Peace River Bloc. I am wondering whether you have had an opportunity to meet with the new Minister of Education in British Columbia and consider to what extent we can share facilities?

MR. FOSTER:

Yes, Mr. Chairman, we have. I informally discussed the question of cooperation from the advanced education point of view in the Peace River Bloc with the minister in British Columbia on two occasions in the past. It is something we will pursue with her when we are out there for a meeting of the council of ministers later this month, as a matter of fact.

As I indicated earlier, the study which is going ahead now involving the institutions at Fairview, Grande Prairie, Grouard and Hinton -- it is quite



possible that could be expanded to include regions of British Columbia as well. Certainly even their major city in that province is just 60 miles down the road from Grande Prairie. There is a \$5 million college in Grande Prairie, and we are obviously hopeful that we can disregard legal boundaries by way of province distinctions and do a job in a region. I am sure we have the good will of the provinces to the east and west of us, and I am hopeful we can work out some arrangement.

MR. STROM:

Mr. Chairman, I would like to return to the Vermilion situation if I might. I am certainly not trying to joke about it, Mr. Chairman. If we have the problem that the hon. Member for Lloydminster is suggesting, I am wondering if either the Minister of Advanced Education or the Minister of Agriculture is giving any attention to that particular problem and if they could so advise the House at this time. I am concerned about it because of the fact that we are looking at operating costs of this capital asset, and I would certainly be disturbed if it was just sitting there as a decoration at Vermilion.

MR. POSTER:

Mr. Chairman, I am sure the officials of the department can apprise me as to the current use and future use of that facility, and if there continues to be a problem what can be done to remedy the situation. As I have indicated, I would be happy to look into it. I have a list, incidentally, of ten or half a dozen items which have been raised and that, I think, hon. members want by way of return information. I would be quite happy to get this information, and on second reading of the bills or committee study I would be quite happy to return the information to the House.

<u>Appropriation 3082</u>	Grants to Universities	
	agreed to without debate	\$16,000,000

MR. STROM:

[Inaudible]... for the Department of Advanced Education or are you going through capital first?

MR. CHAIRMAN:

My understanding is that after capital account we will take the total account.

Agreed to without debate:

<u>Appropriation 3083</u>	Grants to Colleges	\$7,650,000
<u>Appropriation 3084</u>	Matching Grants	\$2,500,000
<u>Total Capital Account</u>		\$26,150,000

MR. STROM:

There is a point I would like to make in regard to this particular department before we leave it. I have noted with a great deal of interest the emphasis that has been placed by various members of the government from time to time on coordination, and I would have to say that I have no difficulty in going along with it. I noted from time to time in the consideration of the estimates of the Department of Advanced Education, that we dealt with various items wherein the minister indicated that changes were being made to promote a greater degree of coordination.

I would have to say, Mr. Chairman, that in my view, the government has demonstrated by separating the Department of Advanced Education and the Department of Education that at the very root of the whole area of concern you are not building in the degree of coordination to the extent that it could be done.

Simply by separating the two departments there is a moving away, rather than a drawing together. And in my view the government would certainly do well to give consideration to a new approach in the whole area of education rather than running them as two departments. And I bring it to their attention again simply because it has been brought to our attention from time to time that coordination is a matter of concern. Therefore I mention it now.

MR. FOSTER:

Mr. Chairman, I'd like to respond to that in this way. The hon. member has, I think, applauded the move towards better coordination if it's effective, and that surely is one of the prime reasons for our decision with respect to the commissions.

Now, if that is valid, which I think it is, it then falls for a member of this front bench to spend a good deal of his time in consulting, as we've talked about, and communicating with a great many people to ensure that kind of coordination exists.

With respect to the suggestion that it could in fact be done better by having one department of government responsible for virtually half of the Alberta budget, or just about, and that one minister could do that job -- I'd like to suggest to you that there would not be the kind of input into all these circumstances, or the kind of contact or liaison communication or discussion among all the various groups that we've talked about in the course of these estimates by the Minister of Education. Because he just simply wouldn't have the time to divide his responsibilities between what the Minister of Education is doing today and what the Minister of Advanced Education is doing and would like to be doing tomorrow. It would mean that the Minister of Education would spend all of his time, in my view, in a much less effective way, and would be much less able to communicate to this House and assure this House that coordination was, in fact, being achieved. To say that all of this could be done by one department of government is true -- it could be -- but in those circumstances it would end up being done, not so much at the senior government level and through activities of the minister's office, but by the public service.

Now I recognize, as I said yesterday, that ultimately the minister, as the head of the department, legally, publicly and every other way is responsible. I just don't believe that a minister with those kind of responsibilities is going to be able to do the kind of discussing and consulting, and the kind of contacting that you have expressed concern about, to achieve that. I frankly think you'd kill him if you had that kind of expectation from one man in the performance of that role when you're talking about \$500 million and the vast range of activity in which education and advanced education are involved.

Now we may honestly disagree, Mr. Chairman, but I would not want to be offered the job, nor would I want to take it. I just wouldn't be prepared to do it because I would like to live a little longer than that.

Total Income Account

\$155,388,570

MR. HYNDMAN:

Mr. Chairman, I move the resolution be reported.

MR. CHAIRMAN:

Is it agreed as moved by the minister?

HON. MEMBERS:

Agreed.

Department of Federal and Intergovernmental Affairs

AN HON. MEMBER:

Next department.

MR. CHAMBERS:

Mr. Chairman, Subcommittee D has had under consideration Vote 31, the Estimates of Expenditure for the Department of Federal and Intergovernmental Affairs and begs leave to report the same.

MR. CHAIRMAN:

Moved by the chairman of Subcommittee D, seconded by the hon. Mr. Getty that the sum not exceeding \$462,981 be granted to Her Majesty for the fiscal year ending March 31, 1974 for the Department of Federal and Intergovernmental Affairs.

[The motion was carried.]

MR. GETTY:

Mr. Chairman, I move that the resolution be reported.

MR. CHAIRMAN:

Is it agreed as moved by the hon. minister?

HON. MEMBERS:

Agreed.

[The motion was carried.]

MR. DRAIN:

Mr. Chairman, I just can't let this go. This is totally impossible. This has never, ever happened except in the case of the former Minister of Public Works when he frightened everybody into saying yes.

I was just wondering if the hon. Minister of Federal and Intergovernmental Affairs would at least tell us just what he is doing to justify staying on the payroll?

MR. GETTY:

Mr. Chairman, I gather the resolution is gone and the hon. member and I might discuss that some time. But I also heard from one member in the House of Commons that when this happens, you should bow in the direction of the other side of the House. So I shall do so.

Department of the Treasury

MR. CHAMBERS:

Mr. Chairman, Subcommittee E has had under consideration Appropriation 27, the Estimates of Expenditure, including Income and Capital, for the Treasury Department and begs leave to report the same.

MR. CHAIRMAN:

Moved by the chairman of Subcommittee D and seconded by the hon. Mr. Miniey that a sum not exceeding \$56,290,700 for the Income Account and \$3,835,000 for the Capital Account be granted to Her Majesty for the fiscal year ending March 31, 1974 for the Department of the Treasury. Any questions?

MR. HENDERSON:

Mr. Chairman, I notice that on a quick check five returns are still outstanding regarding this department, some of which have a very direct bearing on the Estimates, the study of the Estimates. I have no objections to going ahead, provided that the Treasurer can provide some of the information which we have not yet received in the form of returns and that he is able to provide it now.

We put in a question of return that has been on the Order Paper for some weeks now. I put it in myself -- Return No. 136 Alberta Government Boards and Agencies whose funds were transferred into the General Public Revenue Account, and Return No. 146, which may or may not be the Treasurer, it's Grants to Community Organizations. There is Return No. 178, which is the copy of the legal review by the Auditor's office regarding the government's use of trust fund monies. There is Return No. 203, which I am not just certain is Treasury, but it is increased revenue resulting from increased liquor prices, which I presume is Treasury.

So I see the Treasurer is nodding his head in agreement that we proceed and he will try to answer the questions now. I presume this will not be taken as a substitute for the tabling of the Returns ordered by the House.

The first question I'd like to ask the Treasurer does not relate to a return, but rather, could the Treasurer inform the House as to how much money is in the budget in total, and under what appropriations is money allocated for the government task forces funds this year, or is there any in the budget?

MR. MINIELY:

Mr. Chairman, most of the heavy expenditures of the task forces -- the most active one was the Task Force on Provincial-Municipal Finance -- there are some minor amounts of money for task force expenses in the current budget under the administrative votes of the department to which they report and the minister to which they report. But these amounts this year are much less than they were last year because, as members will recall, the significant amount last year was, I think, \$30,000 for the provincial-municipal government task force.

MR. HENDERSON:

Mr. Chairman, I wonder if the Treasurer could be more explicit. Last year we brought the question up through the Treasury. The Treasurer at that time provided -- and it seemed to be a better way than pursuing the same question over and over for every department -- the amount of money in that appropriation for that particular purpose.

MR. CHAIRMAN:

The hon. minister indicated he'd undertake to do that. Is that acceptable?

MR. HENDERSON:

Well, as long as it is understood we do it before the estimates leave the committee, I have no objection, Mr. Chairman.

I'd like to go on to the question of the trust funds -- the money transferred from various trust funds, which relates to the return I named, into the general revenue fund of the province. I wonder if the minister could advise us as to what this exercise was all about.

MR. MINIELY:

Mr. Chairman, first, the hon. member had asked about the Motions for a Return, and I'd like to say, and I'm sure they will understand, that while we are in Budget and Estimates a good deal of my time has to be devoted to the House. In particular, the return on the trust funds is one on which the auditors must compile the information. We have substantial variety of trust funds involved.

With respect to the question of trust funds, I think, Mr. Chairman, all members should be aware that first, there is a real distinction between various classes of funds. I undertook, and it is in the best interests of this province, to ensure that all public funds are managed in the best interests of the citizens of the province and that we maximize interest returns wherever possible, or minimize interest costs wherever possible. Now it is my view that in the past legislation has been drafted in ways which purport to set up a condition of trust which really doesn't exist.

I had consultation with the Attorney General's Department, the Legislative Counsel and the Provincial Auditor, all of whom agree with me that, in fact, a lot of funds which in the past have been treated as trust funds, do not actually have a true trust interest as such.

In other words, Mr. Chairman, and hon. members, the fact that a statute might say that a fund shall be administered does not mean that that is a great deal different than the appropriation of a fund within a set of estimates. Now there is a distinction between that class of funds and a class of fund, for example, where an estate or the Public Trustee administers private citizens' funds which are not public funds -- administers private citizens' funds on behalf of those estates. Now in that situation, Mr. Chairman, there is clearly a cestui que trust interest.

We have, at the present time, in the interests of managing the cash balances to ensure that we are maximizing yield, because if you can pool funds it means that you can receive a much higher interest return on those funds than if you were going to the investor with smaller amounts of funds.

So my concern is, first we want to ensure that we are managing all funds because -- let's face facts -- in my view all public funds are trust funds. The funds we have in the general account for revenue are trust funds we as legislators in this government are responsible to manage in the best interests of the citizens of this province.

Clearly where there is a true trust interest, where they are not public funds, these must be maintained in a separate bank account. All trust funds must be maintained by separate accounting, in other words, at no time in our cash management process did we ever fail to maintain a separate accounting of all these funds.

As an example, I think my hon. colleague Horst Schmid would say, that in the case of setting up a fund by statute to pursue the pursuits of the Alberta Art Foundation, how different is that, except that the statute relates to a fund, from the fact that the Legislature approves an appropriation for a specified purpose?

The Legislature has put, if you like, a semi-trust condition on that vote. So my concern is to sort this out to ensure that we retain the proper separate bank accounts where there is a true trust interest.

But to ensure that we are not unnecessarily having to have deposits between 25 different bank accounts at a substantial cost to the taxpayers of the province, as it sits now and at December 31, 1972, all trust funds are maintained in separate bank accounts.

During the course when we were trying to improve the cash management, some of them were transferred from trust accounts, individual bank accounts, which is distinct from the separate recording and accounting of it. They have always been separately recorded and accounted for. But to improve the yield and the pooling of funds for investment purposes some of them were transferred periodically.

So we are examining that now and I for one feel that there is a moral obligation on all of us, unless there is a true trust condition, not unnecessarily to maintain funds in separate bank accounts and lose millions of dollars in terms of interest return to the taxpayers.

MR. LUDWIG:

Mr. Chairman, I just notice an Order-in-Council coming through where the assurance fund under The Land Titles Act was transferred to general revenue.

I am suggesting that if you can do this by Order-in-Council -- I believe that legislation set up that fund and you are obliged to set up this assurance fund that everybody paid when they registered a title. It should be set up as a tax now instead of a fund.

It is a tax when it goes to general revenue, so set it up in the books and amend the legislation to say that this is a Conservative government tax for whatever purpose. It is just a tax and no longer a fund provided for a specific purpose.

The purpose of that fund, as provided, was in the event that the Registrar should be negligent in any way and the fund is available to pay for any claims which would be made against the Registrar.

I agree with you that technically all the funds in the whole budget are a trust fund. But we have to do this properly and not create the impression that we have in fact more revenue than we have, because these funds were provided by legislation and for that reason they are called trust funds.

I think if the government wants to create the impression that they are now, in fact, a tax for general revenue purposes and not for a specific purpose, then let's do it the way it is supposed to be done and not by Order-in-Council to take away what is, in fact, legally a trust fund.

MR. MINIELY:

Mr. Chairman, we are just carrying on, in that case, previous practice which, as the hon. member has indicated, the legislation provides. The Lieutenant Governor in Council may -- when the surplus in the fund is not necessary -- transfer the surplus to the General Revenue fund. This was done in the past. We simply carried it on.

I think there is a real debate -- some of my colleagues and I had some conversations about this. What happens with governments -- and it happened with you when you were in government -- we inherited an existing revenue structure, Mr. Chairman. In that revenue structure there are certain forms of government revenues that are not unique to Alberta. In fact, the federal government has

it, other provinces have it, where you have certain fees and certain fee structures for a variety of government services for which a fee is charged.

Over a period of time, and this might be 20, 25, or 30 years or it might be the entire history of democratic government in a given province or a country, there becomes an imbalance between the fee charged and the cost of delivering the service.

When you inherit a situation where this exists, basically it means that in governments generally across Canada, rightly or wrongly, there are in existence some forms of revenue which are related to a government service and perhaps exceed a government service which had built up over many, many years.

The argument -- but it then becomes in my view an academic argument -- the academic argument is that the government is charging more for the service than what the actual cost of delivering the service is. But, in fact, this has built up historically.

To change it now, perhaps means you don't increase that fee or you let it balance off to some degree, but there is a wide variety and many of these -- it isn't something that happened last year or happened the year before, it is something that has built up over a long period of years.

My own personal view is that with the nature of government and the delivery of government services as such, this is bound to happen in cases of certain government services -- that the fee loses some relationship to the actual cost of delivering the specific service. And to say that the government should go back and then say, well, to reduce the fee we are going to charge for that service, in fact this is not the direction that governments in Canada or in North America -- it has happened, it has developed with all of them.

MR. LUDWIG:

Mr. Chairman, I appreciate the remarks of the hon. Treasurer, but why doesn't he then -- if this tax, if it is now a tax and not a fund for a specific purpose, this is now a means of increasing your general revenue -- since that fund was set up for a specific purpose, and you are arguing at length that that purpose really isn't justified because the money accumulates and it hasn't happened for so long that, really, general revenue can take care of any contingency that should arise in this particular area. If somebody should sue the Registrar under legislation for a mistake made and get a big judgment, the government would in fact pay that judgment now from general revenue. I presume that is the end result.

If you clean out the assurance fund and put it into general revenue then if someone sued the Registrar you would pay it from general revenue. And why don't you move and abolish that tax since, in fact, it now is a tax in the true sense of the word? Do we need that kind of taxation if you say that the purpose for which that fund was established really hasn't materialized?

We haven't had any law suits against the Registrar for quite some time, and it is just an accumulation of funds and now you have appropriated those funds. I am not saying illegally, and I am not saying we haven't done it, but we are dealing with the problem as it exists now.

I recommend that we abolish the tax. It is paid by the people. Get rid of it and then don't have a fund if you are going to clean it out when it suits your purpose.

MR. MINIELY:

Well, the hon. member's view of a tax and my view of a tax are diametrically opposed. My view of a tax is something that is applied universally to all citizens, and I think that this is a basic principle in taxation. Income tax is taxation, it is a universal tax. It applies universally to all citizens, depending on what their income is.

What I am saying, Mr. Chairman, is clearly the government has a variety of revenue sources, some of them minor and small, others large. And we have a variety of fees for services delivered by government. When you set up the administration of the service and you decide on a fee structure, that can over a period of years become imbalanced. Like the assurance fund that we are talking about, there have been claims against that fund.

What we are saying is that basically the claims have been far less than the amount that has come into the fund. But there are other areas of government

revenue which, if you wanted to relate the revenue directly to the expenditure, are imbalanced. The assurance fund the hon. member mentions is not the only one.

So there are several of them, they are imbalanced. They have happened historically and I think it becomes an academic debate. Don't forget that until you have a true cost system the problem is that until you assign all your costs -- and if I might just take the Department of Public Works, which the hon. member is very familiar with -- and until you have programmed budgeting, where you are actually assigning all your overhead costs to departments and departmental programs, you don't really know what your true cost of delivering the service is anyway.

This is where we sit at the present time in government. You can pick any particular service and say, "Is that the cost of delivering the service?" and relate it to the fee that is charged or the fee revenue. And that is not even a valid comparison because we don't have proper cost assignment. The department, like the Department of Public Works, should be a nil-out department. It shouldn't be in an element of program budgeting -- that's the direction in which it would move.

Although I think we are now into an academic and philosophical debate, I'm happy to talk about it, Mr. Chairman, in the Legislature because it's something that I have given some thought to. At the present time I think that until we develop better cost assignment or move toward some element of program budgeting these things are historical and we'll be treating them as such.

MR. LUDWIG:

I certainly appreciate what the hon. minister is saying, but when he says that a tax is something that is applied to everybody I suppose those people who buy liquor pay a tax; they don't all buy liquor. Those people who rent premises from the city pay a business tax, but everybody doesn't rent premises. Those people who register land titles pay a tax, but everybody doesn't register land titles. So I think that your reasoning is certainly not broad enough -- at least not specific enough -- to exclude this particular fund. It's called an 'assurance fund', but the way you are treating it now it's, in fact, a means of raising general revenue and if that isn't a tax nothing is.

So, if we now say the purpose for which that fund was set up is really not there anymore because of our past experience in the last 25 or 30 or more years, then we are going to continue to maintain that tax as a means of increasing our general revenue. I don't agree with you entirely that this particular one is not a tax because it's called an assurance fund. It was designated an assurance fund and kept for a specific purpose and now that we have come to this decision that we no longer really need it and if the contingency did arise that you would pay the money from general revenue, then let's call it a tax and let's determine whether we shouldn't abolish that tax.

Granted it's against only those people who register land titles, but it's a great number of people. Everybody could be subject to that tax who buys or sells a home. So my application is it is a general form of taxation. So let's move and get rid of the tax or let's call it a tax.

MR. DIXON:

Mr. Chairman, I would like to get the minister's comments, if he wouldn't mind, on the problem that some of the Workmen's Compensation people felt when the government more or less indicated that they were going to look at trust funds under The Workmen's Compensation Act. And those who were receiving compensation awards were becoming concerned, and businesses which contribute to the Workmen's Compensation Board for the payment of those awards were wondering just what the government had in mind when they started talking about interfering with the Workmen's Compensation Trust Fund. I was just wondering, did you carry that suggestion any further or has it been dropped?

MR. MINIELY:

Mr. Chairman, again, I think we have to distinguish between the program -- for example, the Workmen's Compensation Board -- and the program of compensation to injured employees throughout Alberta and the fact that they have, through contributions through industry, funds which are administered in what is called the Workmen's Compensation Board Investment Fund.

Now I appreciate -- and again we are discussing a philosophical and academic argument, but we sit in Alberta now with funds fragmented through

government, Crown corporations, agencies, boards, invested on a very fragmented basis throughout the province. It's my view that to maintain a separate accounting of funds -- in other words the Workmen's Compensation Board has \$100 million -- they could actually decide by contract that that fund would be administered on an agreement with an investment firm to maximize their yield in the best interests of insuring that the Workmen's Compensation Board Investment Fund, which is the trust fund they have for paying out claims, has the maximum growth.

Now I use that, Mr. Chairman, to illustrate the difference between saying that we are interfering in any way. What we are saying is that we would like to be sure that the funds, be they where they are, are managed to ensure that a maximum yield is received on the funds. I think that as a government I could argue that we have a responsibility whenever we have any Crown corporation that there isn't a total divorcing of responsibility from the members in this Legislature from the fact that that Crown corporation is given autonomy -- sure, autonomy, but to carry on policy which we as legislators are elected here to carry on -- to carry on, in fact, government policy.

So let's distinguish between the interference with the program, the interference with the benefits and the maximizing of return on various funds of government, whether they may be in government generally or whether they are in a Crown corporation.

MR. DIXON:

I am wondering though, Mr. Minister, in all fairness to the Workmen's Compensation Board -- they have to also keep in mind the liquid assets -- fairly liquid -- in case they did suffer quite a disaster and their funds would be called on at a more rapid rate. It isn't always the case of where the maximum benefit is the maximum security as far as an investor is concerned. So I think you have to be careful, particularly in this fund, and sure it's all right to look for a maximum growth but not when it is a trust fund. It may be called upon at any time.

I think what we are looking for -- and I understand there is no thing such as a gilt-edged security; nobody can really guarantee a gilt-edged security -- but I think in all fairness to the board, they have tried to spread their investments to not only being secure investments but investments that can be called upon on very short notice. Maybe this is one of the reasons why there may be some criticism. Their yield isn't as great but the security is greater. And I think this is what we have to keep in mind with those kinds of funds.

MR. MINIELY:

I don't disagree with the comments of the hon. member at all. I think that in any approaches we have been using, one of them is a matter -- first of all in the incident you mention, we are simply talking about it, discussing it. We haven't made any definitive decisions on it, but I do feel that in general, if you add up the total picture, we are costing the taxpayers a lot of money without being able to consolidate and manage funds on a pooling kind of basis.

Let me take the remarks about liquidity. Basically, the government, in any relationship like this, guarantees the liquidity of the funds. In other words, the Workmen's Compensation Board's liquidity is not affected by the fact that we manage the fund on behalf of the Workmen's Compensation Board, nor is Alberta Government Telephones, nor are the treasury branches.

The other thing that has happened; all hon. members in this Legislature voted last year for an appropriation -- as a matter of fact, it was in my department -- to in effect increase workmen's compensation benefits through the use of public funds.

So if there is a possibility that public policy is going to mean that through public funds we are going to be, in effect, subsidizing workmen's compensation benefits, then I think there is a good valid argument for the fact that there is no encroachment at all upon the program or the benefits of the Workmen's Compensation Board simply by managing or working toward a policy of pooling funds.

It may very well be that governments, not just in Alberta but governments in Canada, in the area of benefits to injured workmen, may be paying benefits beyond what the actual contributions of industry are, because the choice then becomes, should public funds be utilized? We all voted last year that public funds would be utilized. Or should the entire cost be paid by industry? And that is one of public policy.



MR. NOTLEY:

Mr. Chairman, I want to touch on another subject, so if there are still questions which relate to this --

MR. CHAIRMAN:

Are there any further questions on this subject?

MR. HENDERSON:

Still on the point of the trust funds, I think really the specifics and the merits and the pros and cons of one approach or the other is not the relevant point so far as I'm concerned in raising the matter.

I think the basic question and the basic concern is the fact that the news reports on the subject have given some indication there was money transferred, and then there was money transferred back and some of it was --

MR. MINIELY:

Did I hear you saying money is not relevant?

MR. HENDERSON:

I know the Treasurer is particularly sensitive to the relevancy of money, but I'm saying that it's not the money that's relevant. I'm saying whether they manage it as a separate trust fund or part of the general revenue fund is not particularly relevant either. But I am saying that I think the part that is relevant to the matter is the concerns that have been raised in the minds of the public about when a government by executive authority decides to transfer money from one account to another, and then there is some difference of opinion about it. It may have been internal, but it again becomes public, and there are reports of money being transferred back.

I think this is the point that concerns me. I don't think we're in the position to debate the merit or pros and cons of anything the Treasurer has done because we really, at this point, don't know what on earth it is that he has done, or if he has done anything.

One of the reasons for putting the Return on the Order Paper, was to find out what had happened --

MR. MINIELY:

Just hold it.

MR. HENDERSON:

Well, you just gave us a general philosophical dissertation of what you're trying to do and I don't disagree with you, but what concerns me is that specific legislation has been passed by this Legislature in the past that spells out certain ground rules as to the way the money should be handled. And I think it is incumbent upon the government, if there is confusion or a lack of clarity regarding the specific management of some of these funds, in the interest of avoiding public confusion over it, because I don't think in the final analysis public confusion benefits anybody sitting in this Assembly, to give an explanation. All it does is undermine public confidence in the government and in the Legislature which we, on both sides of the House, are a party to.

But the thing that concerns me, if there is doubt in some of these areas relative to the way the money should be managed, whether it should be a separate trust fund, whether it could be part of the general revenue fund with a separate accounting system and so on, and it pertains to legislation, is that the appropriate legislation amendments be brought before the House to be examined and disposed of and then we can examine, debate the pros and cons of the philosophical aspects on it on their merits at that particular time. But we find at this point we really don't know what it is that has been done, what it is that apparently sparked some degree of concern on the part of the provincial auditor.

There is a return in here that I asked for, relating to the study that was done by the solicitors to give legal advice to the auditor relative to the management of some of these funds. And I'm not suggesting that there is anything improper in any way, shape, or form about it, but I point out it does

raise these concerns and I think it's in the public interest and the interest of the government to put these concerns to rest.

On the other hand I haven't seen any amendments coming before the House that deal with this particular matter. It seems like this is the appropriate time to ask the Treasurer to indicate exactly where they are going, whether they are going to bring amendments in and when we're going to get the return.

I point out to the Treasurer the return relating to the names of Alberta boards, agencies, funds, and trust funds to be transferred into general revenues since September 10, 1971, has been on the Order Paper -- it was approved by the House on February 27. So it's five weeks outstanding and I find it really hard to believe that somebody within five weeks hasn't been able to -- particularly for such an item of concern -- that somebody doesn't know what these accounts are and couldn't spell them out and get them into the House.

The absence of that particular information, I suggest, Mr. Chairman, frustrates the fulfilment, I think, of our responsibilities on this side of the House. So that's the main point I wanted to deal with, and unfortunately lacking the information I don't know whether we've even got a point to make.

But I come back again to the fact that we'd like to have the returns that have been ordered by the House, because I don't think we can really proceed any further on this particular issue intelligently in the absence of the information.

And I must say, once we get the information, we may conclude that that's the end of it anyhow. But I think with that, Mr. Chairman, we could go on to the next point that other hon. members want to bring up.

MR. MINIELY:

Mr. Chairman, maybe I could just let the hon. leader rest comfortably on this matter. I had said that the real problem is the variety of funds. With some of them it becomes a legal opinion. As a matter of fact, the former provincial auditor and the current provincial auditor aren't in agreement on the matter. And the variety of legal opinions -- as the hon. leader said, there was never at any time anything improper done. It was the interest in managing funds for the best interests of the citizens in the province.

But what am I doing to clarify the matter? First, in regard to the Motion for a Return, I anticipate the return will be in on Monday. Basically, it will schedule the variety of accounts that were involved. Again, I want to emphasize that all accounts at all times were maintained separately on an accounting basis. That is a very key point. So the Motion for a Return will be in on Monday.

I think, as I have said, that it is incumbent upon me as Treasurer, and incumbent upon all of us as legislators -- that I am planning on introducing amendments to The Financial Administration Act. Because what happened, Mr. Chairman, is that there was no blame with anyone, because you just have to happen to find it or locate it. But I think perhaps we, as a Legislature, have tied our hands unnecessarily in a lot of legislation by using the words "trust fund" or by using the word "fund" when in fact it referred to public funds for specified purposes the same as any other vote.

My intention is to bring in amendments to The Financial Administration Act to ensure that we can manage the funds on the best basis and yet ensure that where there is an actual two-trust interest, where it is a private citizen, a separate bank account is maintained.

MR. NOTLEY:

Mr. Chairman, I'd like to move on from this subject to ask the Provincial Treasurer a question with respect to Appropriation 2722, The Estate Tax Rebate Act. I noticed, Mr. Minister, that there is a 54.7 per cent drop, and am wondering whether you have any inside information that perhaps the mortality rate of well-heeled Albertans is going to drop sharply this year.

But more seriously, I notice that the actual for 1971-72 was just under \$7 million and your Estimate last year was \$7 million and the forecast for this year is \$11 million. I am wondering how you arrive at this rather dramatic drop then in what you did last year, looking at the previous year, compared to what you are doing this year -- compared to the forecast.

MR. MINIELY:

Mr. Chairman, I think most hon. members are aware of the fact that The Estate Tax Rebate Act came into existence in Alberta under the former government. It resulted -- basically what it applied was that 75 per cent of the total estate tax levied, which was levied by the federal government, was rebated to the citizens in Alberta who had situs. In other words, they were situated in Alberta and their property was in Alberta.

With the federal tax revisions commencing in 1972, no longer is there an estate tax levied at the federal level, and therefore in effect there is no estate tax paid in Alberta. So Alberta's situation now is, rather than rebating 75 per cent of the total estate tax, Alberta is simply totally estate tax and gift tax free.

With respect to the figures. The administration: the estates are filed with Ottawa and then there is a lag between the time they assess the estate and the time the application comes in from the administrator of the estate to the provincial government for the rebate. So last year the expenditure was quite high because there was one particularly large estate -- it's a matter of public record in any event, but I just happen to forget the name. It was an unusually large estate in Calgary. This gave rise to the expenditure on the estate tax rebate last year, which is included in the forecast beyond the Estimates.

There are many items which you can estimate. The estate tax would be one that could be thrown out the most on a percentage basis because normally you might pay out \$4 million or \$5 million, and then if you just have one large estate that happens to come in, that can be \$4 million or \$5 million in itself. In fact, that's what happened last year.

The simple answer as to why it's down a lot this year is the fact that we had an unusually large estate last year and this year we're not at the tail end of the the actual estate tax rebate. Because the time lag is now catching up and eventually there won't be any rebate at all.

MR. NOTLEY:

I take it that this is really just a matter of several years then before it winds down completely -- when these estates finally are probated.

Another question I'd like to ask the minister is with respect to the Public Utility Income Tax Rebate, which is Appropriation 2719. The question I'd like to ask you, Mr. Provincial Treasurer is, do you have any way of monitoring the question of deferred taxes?

I take it, reading the financial report of Calgary Power, that they have some \$32 or \$33 million in deferred taxes. The way I would understand it, these deferred taxes, if they were paid to the federal government, would come under the provisions of the Public Utility Income Tax Rebate, and should, in fact, be rebated back to the consumers. I'm wondering whether or not there is any department of government, or whether the Public Utilities Board specifically monitors this question so we can keep on top of it? Because if, in fact, this is true, we are really talking about the companies using consumers' money.

MR. MINIELY:

Yes, I'm very aware of the deferred tax credits the hon. member refers to, and particularly in the case of Calgary Power. What the deferred tax credit is, in the case of a utility corporation, largely results from federal government tax legislation which allows the write-off of depreciation on a basis for tax purposes, which is perhaps much quicker than the actual true obsolescence or depreciation factor is.

So it's really a tax credit, if you like, that is provided in the federal tax system which exists not just for utility companies, but in fact, it happens in the case of operating corporations and others, because the federal government over the years, in their tax legislation, has tended to have used a lot the accelerated depreciation to encourage plant expansions and to provide jobs and employment.

This was one of the techniques they used. I won't debate the merits or demerits of their using that for the specified objectives for which they have done it. But as a result, deferred tax credits have built up in many corporations throughout Canada, and it is really a delay in payment of tax. It's not a permanent tax saving. It's rather than paying this year -- you might

pay five or ten years from now -- and that's why it is called a deferred tax credit.

We're monitoring them. Of course, it is not something we can do alone, because we would have to talk to the federal government about the whole area of deferred tax credits. It would be something for policy at the federal level. They would have to consider it at that level, because it really doesn't apply just to the utility companies, it applies universally to industry in Canada.

MR. NOTLEY:

Mr. Chairman, while I can agree in part with the Treasurer's answer, I think there is a difference between, let us say, a normal company that defers taxes and the loss temporarily, at any rate, is spread over all the taxpayers of Canada. Eventually, you say, it will be paid, but in the immediate sense it isn't paid.

But it seems to me there is a distinction between that and a utility company that is operating within the province where we have an Act that says that 95 per cent of every income tax paid by this company is going to be rebated back to the consumers. I think it should be noted that really one of the major arguments for The Rebate Tax Credit Act in the first place, was the argument that public corporations didn't have to pay federal corporation tax and therefore they were more efficient. So as a result of a good deal of lobbying, the federal government made it possible to rebate this money to the consumers.

Therefore, we are really talking about consumers' money. And it seems to me therefore that the government in Alberta should be just a little more pushy dealing with Ottawa and saying: "All right, we would like to see some changes." At least as it relates to utilities, because you are dealing with consumer's money that really should be rebated under the provisions of this Act, or 95 per cent of it should be rebated under the provisions of this Act to the consumers. As things stand, this may be delayed over 5, 10, 15 or 20 years. We don't know how long it will be.

MR. MINIELY:

I don't disagree that the deferred tax credit results in less tax being paid to the federal government and thereby results in a smaller public utility transfer to the province. As far as the consumer getting the ultimate benefit, I think that too, Mr. Chairman, is academic. It is ultimately passed off to the consumer, it is ultimately paid in tax and it is ultimately therefore passed off.

It may mean that the consumer's tax credit which ends up on his bill goes for a longer period, perhaps for a lesser amount for a longer period, rather than for a greater amount for a shorter period. The only argument that would be true in the long run, might be, the normal interest return on that amount of money, perhaps, is to the benefit of the corporation and to the loss of the citizens of Canada or the citizens of Alberta or the consumer.

But ultimately it would be passed off to the consumer.

MR. NOTLEY:

Ultimately it will be, but in the short run what we are really talking about is a rather massive interest-free loan to the company at the expense of the consumers. That is really what the whole tax-deferred system, it seems to me, amounts to, generally at the expense of the taxpayers with most companies, but because of The Transfer Act here where money is to be rebated back to the consumers, in this case it is really an interest-free loan at the expense of Alberta consumers.

MR. MINIELY:

I don't dispute that, Mr. Chairman. Perhaps at the next Finance Ministers' meeting I might be able to buttchhole Mr. Turner and see what he has to say.

MR. NOTLEY:

I have another question, Mr. Chairman, and it relates to the government's program on self-insurance. I would just like to restate my congratulations to the Provincial Treasurer on initiating self-insurance as far as the government fleet is concerned. I would be interested, though, in his advising the House on

just exactly what steps are being taken to further study the proposition of self-insurance throughout government operations.

I gather there is some committee which is looking at this as far as schools are concerned. I am wondering to what extent you are looking at it throughout the length and breadth of the government operation?

MR. MINIELY:

Mr. Chairman, we have -- and I indicated last year -- retained an insurance coordinator in house in the Treasury Department. This insurance coordinator, along with other members of the Treasury Department who have knowledge in the insurance field, as well as with the firm of Reed Shaw Osler Ltd., who have done some consulting work for us in the insurance field, are working out the basic factors involved in the self-insurance scheme, first on the general fleet policy which is the first one it is going to be used on.

Now I have not received a final decision because they are working out with industry -- they are trying to develop the most marketable package because a portion of it will be insured. In other words, we don't want to insure the multi-million dollar liability risk on a self-insurance basis. We don't think this would be in the best interests of Alberta to do so, so that we will insure the large major risks.

The element of self-insurance will be up to a stop-loss level. For example, collision on government vehicles and third person property damage would be self-insured within a pool of funds. Simply, an allocation goes in and goes up and you pay out of that.

The large losses we will insure. So we are trying to choose the stop-loss level in consultation with industry and advisors in the treasury department to the department and the coordinator in the department that will result in the most marketable package that we can go to the market with and obtain a good competitive price on the package that is going to be issued outside. This element before the principles of this we intend, along with the same group who are working on it, that I have outlined earlier, to look at all other areas of government insurance to see where the element of self-insurance is valid. Then we will have to choose the criteria like stop-loss levels, what parts do we self-insure and what parts should be put out to private industry.

Because we do feel that it would not be responsible, perhaps, to take the risk of a multi-million dollar claim that would not be insured other than on a self-insurance basis.

MR. NOTLEY:

One further question, Mr. Chairman. I follow the minister's answer, but I am wondering just where this committee operates as far as the schools are concerned? I gather there is a committee, with at least one or two representatives on it from the Alberta School Trustees' Association, that is examining the question of insurance in the school system, including among the options, self-insurance.

I know it may be a bit unfair to throw this question to you rather than the Minister of Education, but I am wondering how this is integrated with what you have already told me.

MR. MINIELY:

Mr. Chairman, the principles or the objectives of the study are similar, and there may be some unofficial coordination, but they are two separate matters. What we are doing relative to the government and Crown corporations and agencies is being conducted independently from the group that may be doing something with the schools. I am not aware of any inter-change, but there might be some unofficially of which I am not aware.

MR. RUSTE:

Mr. Chairman, to the minister. I don't know where the vote is for this, but earlier in the session there was some material left in our boxes regarding the group insurance for us as members of the Legislative Assembly.

Who negotiated that contract, how much money did it cost us and where is it found in the votes in your department? I take it would be --

MR. MINIELY:

I think it is lost. It will probably come as a surprise to all members that the total cost of the group insurance plan for members of the Legislature, which is accidental death life insurance benefit, was \$800. So it is just included in the total insurance cost of the government and it is a very small and minor amount.

MR. RUSTE:

In light of what happened earlier this session, are any changes contemplated in this policy?

MR. MINIELY:

The hon. member must not have been here when I asked a question by the Member for Lac La Biche. As a result of the unfortunate accident of the hon. Len Werry, that highlighted to us the difficulty in determining in the case of members of the Legislature when they are on personal business and when they are actually performing duties as a member of the Assembly. So the one change we have decided to make is to provide the coverage regardless. The coverage is there in the event of accidental death because it becomes very difficult, by the very nature of MLAs' duties to try and determine or distinguish between the personal nature and his functions as an MLA. And I am sure all of the members in rural Alberta would agree with me that it is very difficult.

MR. RUSTE:

One more question then, on that. What would be the additional premium for that extra coverage?

MR. MINIELY:

Oh, we are only talking about \$200 or \$300 as I recall.

MR. RUSTE:

Another question I would like to direct to the minister and that deals with vote 2718 in the rotation of field personnel. On what basis is the money being paid here?

Now as I see it there is the actual moving costs. Number two would be the loss. Let's say a person has to sell a house in one point and buy it at another. He has, at least, got the salesman's commission to deal with plus other losses. And then the third part is the higher interest rate which many would be faced with when they move. Say you have a mortgage and you move to another point where the mortgages are undoubtedly higher under most circumstances.

MR. MINIELY:

The administration of the policy comes under the Minister of Manpower and Labour, and I don't think we have discussed his Estimates. His estimates have not been before us as yet.

The details of it -- I would prefer we provided the funds in here as a central pool for rotation of field personnel, but for the actual details I would prefer that you ask the Minister of Manpower and Labour.

MR. RUSTE:

Mr. Chairman, where are the -- in your department you have a record somewhere of all the estimated federal payments or reimbursements to the provincial government in many fields. Could you provide us with a list of that at some stage of the game? Another one that I have is --

MR. MINIELY:

Mr. Ruste, that's all detailed in your appendices to the Budget Address and the revenue items are all in there.

MR. RUSTE:

I have another one then, and this goes back to last year. I believe there was some discussion during the session about the courier mail service that you instituted. Where does that stand at this time?

MR. MINIELY:

Mr. Chairman, it stands very excellently. It's still going between our two major cities in Alberta -- Edmonton and Calgary -- on a daily basis. It's resulted in our estimate -- you always have to estimate these things -- of an annual saving of about one quarter of a million dollars in mailing costs between our two major cities. I'm advised by all departments and ministers that it's improved the service, that it is much more efficient in terms of -- we can get something out, for example, from the Legislature in Edmonton at a later cut-off time and get it to the offices in Calgary the next morning much easier than we could with the postal service, simply because of the cut-off time to meet the postal service requirements.

MR. RUSTE:

Just a comment, maybe with tongue in cheek. Has the loss of this quarter million to the federal postal service had any affect on the postal delivery to rural areas or smaller areas?

MR. MINIELY:

None whatsoever to my knowledge, Mr. Chairman.

MR. FRENCH:

Mr. Chairman, I would like to come back to the trust funds, and maybe I could have an actual example of the information I'm trying to receive. I'm thinking that probably in the workmen's compensation there could be a trust fund. Now is it the intention of the minister to administer the trust fund, invest it and receive interest? And if so, would the interest be credited to the trust fund and the workmen's compensation - or where would the interest go? Could we have an explanation, just using workmen's compensation as an example.

MR. MINIELY:

Workmen's compensation is a good example. In my view, in workmen's compensation there is a true trust interest because it's contributed by industry. They are not general government funds being utilized for the purpose of workmen's compensation. So in that case you would administer the funds and credit the return on the investment of the funds to the fund. One of the principles of the trust, where there is a true trust interest, is that the return on the investment should go back into the trust and should not be used for other purposes.

Now that says distinguished between -- again may I use the Alberta Art Foundation as an example, because I think it's a good example, where we as a Legislature say that a fund shall be set up in the amount of \$100,000 to pursue the purposes of the Alberta Art Foundation. Now that is, in terms of what the Legislature has done, not dissimilar to the approval of \$100,000 in an appropriational vote for a specified purpose.

In that case -- and my legal friends agree with me and the provincial auditor agrees with me -- there is not actually a trust interest. They are public funds and general public funds, the same as in all other general revenues of the province. In that case, as I indicated to the hon. leader, I would hope to bring amendments to The Financial Administration Act that I hope this Legislature would approve. They will ensure that we are not unnecessarily bound by the way legislation is worded, which results in costing taxpayers millions of dollars.

MR. FRENCH:

I appreciate the information, Mr. Chairman. With respect to the interest, I well recall a few days ago -- and maybe it was even yesterday -- when the hon. minister announced that an issue of treasury bills, I believe it was, had been sold on behalf of the government at a rate of 5.02 or at a very low rate of interest. Would it be the intention of the Provincial Treasurer to take some of the funds from the trust fund, say Workmen's Compensation, and purchase some of these treasury bills? What I'm trying to arrive at is, how will the interest be arrived at?

MR. MINIELY:

Basically, within that, if you are going to do that there would have to be an agreement between the Workmen's Compensation Board, the board of directors and the province. In other words, you would either guarantee a minimum return

-- either you would invest the fund solely, separately, and the actual yield, or else in the other event as in the case of Treasury Branches, we found the Treasury Branches were actually only receiving a 5 per cent return on money that they had in term deposits, whereas the province could guarantee the Treasury Branches 6.25 or 6.5 per cent return and both parties are much better off.

You know when you expand this you are talking about millions of dollars. I am not saying it facetiously when I am saying that this policy is a multi-million dollar thing and is one that I feel a great deal of responsibility in. We certainly will always ensure that things like the Workmen's Compensation Board -- that what we are doing does not interfere with their ability to pursue what they are there for.

MR. FRENCH:

The reason I am interested especially in workmen's compensation is that I think we realize that employers all over the province, and employees, are contributing to this fund. Basically, I don't think there is too much government money in the Workmen's Compensation, unless they set it up originally with a fund, so really you are looking at money that is contributed by non-government sources to a great extent. This is the reason I am interested in it.

MR. RUSTE:

I believe I understood the Provincial Treasurer to say that the amount of money for that insurance policy was lost. I would just like to know just which vote it was in. I think it was just an oversight.

Secondly, when I consider the amount -- and this is just a statement -- of the difference in the full coverage to what there was in effect until some merger happened, I think there must have been some error in judgment in negotiating for that coverage then, for the amount of money. I mean the full coverage should have been there.

MR. MINIELY:

Maybe I could take the second part first. Did I read you to say that there was an error in judgment?

MR. RUSTE:

No. I am sorry. What I meant was, that for the difference in the premium rate -- As I recall in the information I received there was a certain limited coverage in the policy in effect from June 2 to whatever point it might be. But as you have indicated, there was about \$200 extra, or some such figure, which gave the full coverage, and this is what I am getting back to. In the negotiations on a policy such as that, for the rather minimal amount of added money you have got full coverage. I am just suggesting that maybe if negotiations had been looked into fully at the first point, they could have paid the additional amount of money and this case we have now would have been covered.

MR. MINIELY:

Well, Mr. Chairman, I guess on a dollar basis the hon. member might say that. But don't forget that one of the things we have to do to do this is, in effect, to provide for insurance both on when the member was carrying out duties as an MLA and personally. There is more than just the money involved, but we feel it should be done in any event. I don't think you can judge the principle simply on \$200. We have decided that rather than have the unfortunate situation where a family of an MLA, under tragic circumstances would have this very complicated situation, we were prepared to do that. The decision certainly wasn't totally money.

MR. RUSTE:

What vote is that money in now?

MR. MINIELY:

Insurance is in General Government Insurance 2723.

MR. FRENCH:

Mr. Chairman, I think we realize from time to time that it does serve for the government to go into the open market for money and in view of the fact that



sometimes you look to the American market or the European market as well as other markets, what consideration are you giving to make some of these issues available, say for Alberta people, so they can take advantage in our province of some of these issues?

For instance, every now and then, AGT or somebody will have an issue, and it is sold to New York or someplace. What are we doing to make these issues available to the people in Alberta?

MR. MINIELY:

Mr. Chairman, I have given that matter a great deal of consideration and I have been able to come up with, perhaps, what is the best solution because the study I have done into it has indicated that first, it's a desirable objective to have Albertans participate as much as possible in the financing of the province.

It appears as though the only way that this could be achieved with any degree of success would be through a provincial savings bond route. And my analysis of the provincial savings bond route would indicate first, that the costs were much higher, and secondly, that the provinces that have had them, notably Quebec, Manitoba and Saskatchewan -- they started in Manitoba and Saskatchewan about three or four years ago, and although the issue was successful to begin with, a savings bond route is also a rollover, and one that is rolled over quite frequently, and the rollovers were not successful so in fact those provinces are closing down their savings bond issues.

So I still have it under consideration. I haven't made any decision on it, and that's about all I can say at the present time.

MR. FRENCH:

Mr. Chairman, I believe the Provincial Treasurer has it under consideration and is trying to come up with a solution then to meet the problem that I have explained.

Would it be possible, Mr. Chairman, for maybe the treasury branches to be able to handle something along this basis?

MR. MINIELY:

Well actually the treasury branches are an excellent example of where Albertans' monies are used in Alberta. You can have term certificates, deposit accounts. They could have a savings bond issue as an example.

They tried a savings bond issue, I understand, many years ago because I pursued this matter with them. It was not very successful. That doesn't mean that it wouldn't be now. But the key point I think, Mr. Chairman, is the fact that really the form doesn't matter so much relative to the objective of Albertans investing in the case of the treasury branches, because that's really what is happening now.

MR. FRENCH:

Mr. Chairman, if I remember rightly, when that issue you referred to was put on the market, it was at "X" per cent -- I've just forgotten what the interest rate was. At that particular time it just so happened that very shortly after that the money market went up. And so instead of people investing in the Alberta security -- I've just forgotten the exact terminology -- it wasn't too attractive on the open market because they could get a much higher return through other sources. And I think this is the reason that it wasn't picked up the way we expected it would be.

MR. CHAIRMAN:

Any further questions?

MR. HENDERSON:

I would just like to ask -- it's just about 4:00 o'clock -- that we simply report progress on the estimates at this time. The treasurer has indicated he will try to have Return No. 136 in to us Monday afternoon, and I would like to ask also if he could try to get No. 178, that's the question of illegal study relating to Return No. 178 which was approved March 6, a month ago.

MR. MINIELY:

Not 178.

MR. HENDERSON:

No. 178 is two copies of legal review conducted by the Provincial Auditor's office with regard to the government of Alberta's use of trust funds. That was approved March 6.

MR. MINIELY:

Well, it seems to me that it was only a couple of weeks ago. I suppose I'm a little bit lost at the hon. Leader's comment here because I immediately turned that over to the Provincial Auditor and I have been consulting with him almost ever since. It didn't strike me that nearly one month had gone by on that particular one, because I've been right on top of that one. Perhaps it would be ready but I don't know whether the auditor will have it for me on Monday.

MR. HENDERSON:

Well, Mr. Chairman, I'm not quoting the figure directly out of the Votes and Proceedings. I'm just going by a note that's made on the return sheet here, and I've got March 6. Now that might be wrong. I must confess it doesn't seem to me as that long ago, but time slips by pretty fast. On the other hand would the Treasurer nonetheless take it under advisement and see if it is possible to get it in here?

MR. MINIELY:

The other one I can get Monday. This one I might have some difficulting getting.

DR. HORNER:

Mr. Chairman, I move that we rise and report.

MR. CHAIRMAN:

It has been moved by the hon. Deputy Premier that we report progress on these estimates. Is it agreed?

HON. MEMBERS:

Agreed.

[Mr. Chairman left the Chair.]

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[Mr. Speaker resumed the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of Supply has had under consideration the following resolutions, begs to report same and begs leave to sit again.

Resolved that a sum not exceeding \$181,538,570 be granted to Her Majesty for the fiscal year ending March 31, 1974 for the Department of Advanced Education.

Resolved that a sum not exceeding \$462,981,000 be granted to Her Majesty for the fiscal year ending March 31, 1974 for the Department of Federal and Intergovernmental Affairs.

And the committee reports progress on the Department of the Treasury.

MR. SPEAKER:

Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS:

Agreed.

April 6, 1973

ALBERTA HANSARD

37-1845

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MR. SPEAKER:

The House stands adjourned until Monday afternoon at 2:30 o'clock.

[The House rose at 4:00 c'clock.]