

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Wednesday, April 26, 1978 2:30 p.m.**

[The House met at 2:30 p.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. SPEAKER: I have the honor to introduce to the Assembly this afternoon His Excellency Per Johan Valentin Anger, the distinguished Ambassador of Sweden to Canada, who is visiting the province, accompanied by a distinguished member of the embassy staff in Ottawa and a member of the staff of the consulate in Edmonton. I would ask our visitors to stand, and the Assembly to extend to them a hearty welcome.

head: INTRODUCTION OF BILLS**Bill 38****The Municipal Government
Amendment Act, 1978**

MR. KING: Mr. Speaker, I beg leave to introduce Bill 38, The Municipal Government Amendment Act, 1978. To the present time the Lieutenant Governor in Council has had the authority only to approve or to reject the recommendations of the Local Authorities Board with respect to annexation. The intent of this bill will be to allow the Lieutenant Governor in Council not only to accept or to reject such recommendations but to vary them or to prescribe conditions.

[Leave granted; Bill 38 read a first time]

MR. FOSTER: Mr. Speaker, I move that Bill 38, The Municipal Government Amendment Act, 1978, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: INTRODUCTION OF SPECIAL GUESTS

MR. GETTY: Mr. Speaker, I'd like to introduce a group of 24 grade 9 students from the Cartier-McGee school, accompanied by their teacher Mr. Holland. They are in the public gallery. I would ask them to rise and be recognized.

DR. HORNER: Mr. Speaker, it gives me a great deal of pleasure this afternoon to introduce a group of grade 10 students from the village of Fort Assiniboine in my constituency. For those who are perhaps not aware, Fort Assiniboine is well over 200 years old, one of the oldest settlements in the province of Alberta. This group of young people represent the pioneer spirit in

that area. They are accompanied by their teacher Mr. Parm Basahti, who also happens to be the mayor of that progressive village. I would ask them to rise and be recognized by the House.

MR. DOWLING: Mr. Speaker, it's a rare privilege and a pleasure for me to introduce to you, and through you to members of the Assembly, a group of young ladies from the American Women's Club of Edmonton. They are seated in the members gallery. You should know, Mr. Speaker, that this club is some 27 years old this year. Their president is Marion Rapier. I would ask that they stand and be recognized.

DR. HOHOL: Mr. Speaker, I should wish to introduce to you, and through you to members of the Legislature, 30 students from the Evansdale grade 5 class in my constituency of Edmonton Belmont. They are accompanied by their teacher Mr. Barry Goldberg and a parent Mrs. Judy Mullholland. They are in the public gallery. I should like them to rise and be recognized by the Assembly.

MR. PLANCHE: Mr. Speaker, it is my privilege to introduce today to the Assembly 44 young adults in grades 10, 11, and 12, of whom 38 are exchange students from Quebec from the Polyvalente Jeanne Manse school, along with their teachers Mme. Lance, Mime. Dumais, and M. Pratt. In addition to that crowd are six students from Henry Wise Wood school in Calgary Glenmore with their teacher Mr. Buhner.

Doug Peers, a student at Henry Wise Wood, arranged and co-ordinated the exchange trip and the trip to Edmonton today. They were in Banff over the weekend and enjoyed it very much. They'll be in Calgary for about 10 days altogether. They are in the members gallery, and I'd like everyone in the House to welcome them, please.

MR. ADAIR: Mr. Speaker, I beg leave to introduce to you, and through you to the members of this Assembly, five members of the Alberta Games Council: chairman Don Skagen, managing director Max Gibb, Kent Jespersen, Tom Humphries, and Dwight Ganske. They are here today to inform me of the selection of the cities for the 1979 Summer Games and the 1980 Winter Games. The Summer Games have been awarded to the city of St. Albert and the Winter Games to the city of Grande Prairie.

head: MINISTERIAL STATEMENTS**Department of Energy
and Natural Resources**

MR. GETTY: Mr. Speaker, I would like to make a statement regarding the future development of the resources involved in the military base and air weapons range at Primrose Lake, Alberta.

The Primrose Lake block is a bombing and gunnery range that actually straddles the Alberta/Saskatchewan border. Naturally, only the Alberta portion is the subject of this statement. The Alberta block comprises approximately 1,250,000 acres. While the province owns the resources, the surface rights were leased to the federal government on September 4, 1953, pursuant to Order in Council

1307/53. The surface lease can be terminated only by the federal government and is routinely extended from year to year by them.

This large area of almost 2,000 square miles is largely unexplored, but may have potential for oil and gas development. Because of the surface lease and the military operations, it is clear that the block cannot be explored or developed in the conventional manner by the auctioning of leases or licences to many companies and operators by a series of Crown sales. Nevertheless it is in the best interests of Alberta and Canada that this large area not go unexplored, since there is a potential to add to our future energy supply.

Therefore the government has arranged a plan for evaluation and possible development with the Alberta Energy Company, much as in the manner of the Suffield military block, with which most Albertans are familiar. The previous experience at Suffield and the excellent co-operation established between the Alberta Energy Company and the military forces should permit surface access in a manner that allows resource exploration and development while military operations continue.

In establishing a bonus payment for these leases, the government did not have established reserves to evaluate. Therefore, by using historical lease sales in the area, and by negotiation, the government has obtained a bonus consideration of \$57,600,000 plus, in certain events, additional amounts.

The bonus consideration is made up of the following: first, \$20 per acre for each acre upon which access is granted to the AEC, payable to Alberta commencing at the time the leases of said rights are issued by the Department of Energy and Natural Resources; second, \$32 million evaluating and developing all or any portion of the said rights; thirdly, to compensate Albertans in the event there is a development that was unable to be anticipated in our bonus negotiations, should 50 per cent of the net profits after payout, as set out in the attached letter, exceed the normal royalties, then the people of Alberta would also receive the difference between the 50 per cent and the normal royalty, as a sort of additional future bonus.

In summary then, Mr. Speaker, we hope by this arrangement that Albertans will have the resource potential of a huge area evaluated. Albertans will receive an attractive bonus consideration, as I have outlined. Albertans will receive all normal royalties should production be encountered, and this unique opportunity can be handled by a company which is mainly owned by individual Alberta investors, and by all Albertans through their Alberta heritage savings trust fund.

Mr. Speaker, I wish to file this statement plus the letter agreement between the government and the Alberta Energy Company.

MR. CLARK: Mr. Speaker, in responding to the announcement, it is not my intention to elaborate other than to say this: while unquestionably there are advantages in having the evaluation take place, to me the most regrettable portion of the announcement today is that a group of Alberta companies did not have the opportunity to put together a consortium themselves so that they could have bid along with the Alberta Energy Company to the government or to the

minister, so that in fact there would have been some competition there. I'm sure that a group of Alberta or Canadian companies would have had the capacity to put together a consortium or a group so that they could have worked out the arrangements with the federal government to enable the evaluation to go ahead on much the same basis that the Alberta Energy Company is now going ahead with the evaluation.

Mr. Speaker, with the greatest of respect to the government, this is another example of the government's Alberta Energy Company getting favored treatment by this government, when there are a number of Alberta and Canadian companies operating in the province which have the capacity and the expertise to put together a consortium that would have allowed them at least to bid, and likely in the long run to get more money out of the venture for the taxpayers of the province.

Native Affairs

MR. BOGLE: Mr. Speaker, I would like to make a statement on the extension of provincial services to treaty Indians. The province of Alberta will make available provincial government services and programs to recognized treaty Indians and Indian bands in Alberta, using the same criteria we do with other Alberta residents and municipal jurisdictions.

The Alberta government has undertaken, in the past year, an extensive analysis of provincial programs and services available to treaty Indians. This review was undertaken to provide background information to understand better the conditions surrounding treaty Indians compared to other Albertans, to develop the parameters for responding to requests for provincial services from treaty Indians, and to set the stage for federal/provincial discussions on the manner and extent in which both governments can address the problems and aspirations of treaty Indians in a rapidly changing Alberta society.

The province's position regarding services to treaty Indians is an outcome of the various representations the Alberta government has received from Indian people. In our visits to Indian reserves and in our discussions with Indian leaders, a pervasive theme was apparent: the desire to access provincial services and, at the same time, a reluctance to actively pursue these services, even though they recognize the need, because of concerns about erosion to their historical relationship with the federal government. Given this, and given our desire to provide all Albertans the maximum opportunity for personal, social, and economic advancement, we see the necessity to define an appropriate provincial role in the provision of services to treaty Indians.

The provincial role, however, must be defined in the context of the special relationship between the federal government and the treaty Indians. Federal and provincial responsibilities in the delivery of services to treaty Indians must be clarified. A joint understanding and commitment from the two levels of government to develop an effective response to Indian needs must also be established. The Alberta government is prepared to embark on this venture and to assume a share of the responsibility in the delivery of services.

The policy of the province of Alberta will be to make

available provincial government services and programs to recognized treaty Indians and Indian bands in Alberta on the same basis as to other Alberta residents subject to the following conditions: (1) continued recognition of the Indians' special treaty rights and constitutional relationship with the federal government; (2) extension of provincial programs and services to individual reserves only upon formal request from a band council; (3) establishment of an acceptable financial arrangement between the federal and provincial governments, with an assumption by the federal government of financial responsibility for the cost of services to Indians resident on reserves; the province will assume the cost of services to treaty Indians resident off reserves.

The Alberta government recognizes the differing priorities and levels of development of the 42 Indian bands in the province. For this reason, we envisage the implementation of this policy, upon band council requests, on a gradual basis, with a target of full implementation in 10 years.

We are aware that some provincial programs and services have already been made available to treaty Indians. Programs and services which are in place on reserves, by legislation or by order in council, will continue to be provided on the same basis as at present and will not be subject to the conditions of our new policy.

To facilitate the implementation of this policy, the Alberta government will undertake certain complementary initiatives: (1) communication with bands, at their request, through the Indian Association of Alberta, on the import and impact of the new policy; (2) examination of relevant provincial legislation to enable the provision of services to Indian reserves in a similar manner as provided to municipalities; (3) promotion of Indian employment in the public service.

In summary, the Alberta government has in place a firm policy establishing the conditions under which services will be provided to treaty Indians and Indian bands. The kinds of services that will be provided must be by mutual agreement of the bands, the federal government, and the provincial government.

The province is prepared to assume the full cost of delivering services to treaty Indians resident off-reserve, subject to (a) the agreement of the federal government to redirect its expenditures off-reserve, to provide and maintain a level of services to residents on-reserve equal to the provincial standards; and (b) to reimburse the province for the services it delivers on-reserve on a 100 per cent fee-for-service basis.

We recognize that not all sectors of the Indian community will react in a uniform manner to this policy. Some will feel we are not going far enough; others will think we have gone too far. But we do recognize that individual Indian people and Indian bands will continue, as they have in the past, to turn to the province for services. This policy establishes the parameters within which the Alberta government will respond to such requests.

Department of Recreation, Parks and Wildlife

MR. ADAIR: I am pleased today to announce a new program of financial assistance to the Alberta recreation associations, sport-governing bodies, and recreation youth agencies.

There are many associations in the province, Mr. Speaker, that have as their goal the development of amateur sport and recreation activities in the province of Alberta, for Albertans. The government has been providing funds for these organizations on the basis of specified amounts for administration and travel costs. This funding arrangement did not recognize the wide variance in application of the different organization programs. The expressed needs of the many individuals and groups participating in the very important job of recreation development in Alberta have been incorporated into this new program.

Under this new program, Mr. Speaker, recreation associations, sport-governing bodies, and recreation youth agencies will receive increased financial assistance in three important areas: one, basic administration costs; two, program development; three, leadership development. An amount of up to \$5,000 per year is available for both administration and leadership development costs, while an amount of up to \$20,000 per year is available for program development. Government funds for program development must be matched on an equal basis by the association.

The level of funding to individual organizations will be related to such things as the number of registered participants in the organization, the number of years a person may participate in a particular activity, travel needs, and other relevant factors. We feel that by requiring associations to match the amount they receive for program development costs, we can assure that the associations will continue to play a strong and active role in determining their own future.

Mr. Speaker, to summarize, the government is very excited about this program and the potential it has to further develop recreation so that as many Albertans as possible will have access to beneficial recreation services.

head: ORAL QUESTION PERIOD

Sun Life Relocation

MR. CLARK: Mr. Speaker, I was going to start with the Minister Without Portfolio responsible for Calgary Affairs, but in his absence I'll go directly to the Premier. My question flows from the decision with regard to Sun Life made yesterday by its policy holders, and from statements made by senior officials of Sun Life that they would in fact be prepared to seriously consider Calgary for the head office if it weren't for some transportation problems. Is it the government's intention to contact the senior officials of Sun Life to see what transportation obstacles there are — I understand it's a matter of getting to the eastern United States and central Canada — and in fact to make an attempt on behalf of Alberta to see if Sun Life is serious about coming to Calgary, and then to push forward on that?

MR. LOUGHEED: Mr. Speaker, I'm aware of the news reports as well, and would refer the question to the Minister of Transportation. Suffice to say that in a preliminary way we certainly are endeavoring and have had considerable success in attempting to see that both metropolitan centres in Alberta develop as

financial, business, and head-office centres. There's been considerable progress along those lines.

I think on other occasions in the Legislature, if my memory serves me, we have recognized that one of the problems — one of the limitations, frankly — has been the nature of appropriate and effective transportation communication. On the other hand, there are people who feel considerable progress has been made on that. For example, some efforts have recently been made to improve the air passenger transportation overseas to London. But because it bears on that matter, I'm sure the Minister of Transportation would be happy to supplement the answer.

DR. HORNER: Mr. Speaker, I think I could supplement in two ways. One, I suggest to the Assembly that I hope they wouldn't accept at face value that transportation is always the thing that stops people from coming out here. On occasion it has been used as an excuse.

On the other hand, advances have been made relative to the question of air travel particularly: the various improvements made there, the additional routings now connecting Alberta to various places in the United States; the matter of air freight, which we are attacking at the moment in conjunction with some of our carriers, making representations to the federal government and ATC to restructure the regulations pursuant to air freight, particularly in one very important area, the so-called belly cargo area as it applies to passenger charters, which could have a substantial effect on air freight rates generally and improve that component of transportation substantially.

MR. CLARK: Mr. Speaker, the question very specifically is: is the Premier prepared to make a direct contact to Sun Life to see in fact, one, how interested they are; and secondly, if we can overcome some of the difficulties outlined so that they will consider coming to Alberta?

MR. LOUGHEED: Mr. Speaker, I'm sorry, the hon. leader did direct that final portion of his question to that point, which I should have responded to.

Yes, in discussions this morning it was our thought that we should at least follow up on that particular matter to see if there was any validity in it and to evaluate the nature of it. On the other hand, it's not clear to us that they would still have that option open. But I do think it's important for us to undertake an inquiry and ascertain the seriousness with which that question was deliberated by the board of directors of Sun Life. When we've got an answer to that question, we'll report to the House.

Electronics Industry

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Business Development and Tourism. It deals with the electronics industry in the province. I'd like to ask the minister if his department has itself undertaken, or caused a study to be done, to look at the viability of the electronics industry in the province of Alberta?

MR. DOWLING: Mr. Speaker, we have undertaken studies of various kinds, and the electronics industry

has not gone unnoticed. We have done internal studies, not something by the private sector outside our department, to determine the potential for developing the industry and to see what might be done by our department to stimulate it.

MR. CLARK: Mr. Speaker, a supplementary to the minister. Following those studies the minister indicated, what actions have been taken by the minister's department?

MR. DOWLING: Most assuredly the documentation associated with those internal studies has been farmed out to interested parties. From time to time we are asked for assessments of the potential of applications for Opportunity Company loans. If that's done, we most assuredly give advice whether or not it's a good proposal. We are always available to the private sector to offer what assistance we might have.

MR. CLARK: Mr. Speaker, to the minister. In the course of the minister's dealing in this area, have there been discussions with Alberta Government Telephones regarding the possibility of AGT doing much more detailed engineering of its electronic needs so that there could be modular tendering or subcontracting so that Alberta firms could bid on the contracts that AGT is now awarding, which are very large because they're not broken down, and Alberta firms don't have the opportunity to bid on them?

MR. DOWLING: Mr. Speaker, we formed a committee of cabinet to deal with the matter of purchasing policy. It was recently made public. On that committee were the former Minister of Housing and Public Works, the Minister of Government Services, and the Minister of Utilities and Telephones. We came to the position that what we really wanted for our Alberta entrepreneurs was an opportunity to bid. This would mean that all government agencies and the private sector in total would be asked to comply with what we consider a sound policy: that we don't establish preferential treatment in terms of dollars, but all things being equal — price, quality, delivery service, those kinds of things — we want access for opportunity to bid. That policy is now out there, and we hope it's being abided by.

MR. CLARK: Mr. Speaker, a supplementary question. Could the minister indicate to the House how it's possible for small Alberta electronics companies to bid on very sizable AGT contracts, when the contracts in fact are not broken down into modules so that our industry in this province has the capacity to bid on each of the modules which together would form the system that AGT is now getting from Bell, ITT, or Northern Telecom?

MR. DOWLING: Mr. Speaker, I would suspect that subcontracting would be done in most instances where there's a large contract. This is normally the situation. Though the Minister of Utilities and Telephones is absent at the moment, perhaps that question might more properly be asked of him, because he is most assuredly familiar with what goes on at AGT.

MR. CLARK: Mr. Speaker, just one last supplementary question to the minister. In the course of the discussions of the minister's committee, was an assessment done of any extra cost there might be to AGT or to the subscribers of AGT, if in fact AGT went the route of modular tendering, as opposed to the large tendering they're doing now which excludes Albertans from bidding? Was an assessment of additional costs done?

MR. DOWLING: Mr. Speaker, I can't recall specifically whether that was undertaken, but I could examine our departmental material and see whether something of that nature is available. If it is, I'll report to the House.

MR. CLARK: Mr. Speaker, just one last question to the minister dealing with this question of electronics. Is a policy in position now, as far as all government departments and agencies are concerned, that indicates the government's desire to see the electronics industry grow in the province and to encourage the departments to have their tenders packaged in such a manner that small Alberta companies can bid on those contracts?

MR. DOWLING: Mr. Speaker, most assuredly, as indicated earlier in the House, we have made public a document which states very clearly our preference for Alberta entrepreneurs receiving an opportunity to bid, for the selection being automatically Alberta with regard to contracting, if price, quality, delivery service, and those kinds of things are equal. We believe that is substantially the right policy to adopt. If we don't do that, of course, we'll be in a position where the consumer will eventually pay extra if a preferential system is adopted.

MR. CLARK: Just one last question to the minister. In light of the minister's indicating that such a directive has gone out from his department or from the government to the various agencies, would the minister be prepared to table in the Assembly that document indicating the government's desire for Alberta electronics firms to have more than a fair chance, or at least a fair chance, and that government agencies should use a modular or detailed engineering approach to electronics contracts they put out?

MR. DOWLING: Mr. Speaker, as I indicated, I'm not able to comment on the modular nature of contracting with regard to AGT, because it is specific, and the hon. Leader of the Opposition did make that a specific question. With regard to Alberta preference, that document is now public. It's there for anybody to read, and it most assuredly specifies very clearly our preference for Alberta entrepreneurs.

Trade Mission

MR. BATIUK: Mr. Speaker, I'd like to pose a question to the hon. Minister of Agriculture in reference to the Alberta trade mission to the Middle East last summer: Mr. Minister, I am well aware that as a result of the trade mission the Cereal, Sugar and Tea Organization of Iran has requested samples of grain from the Alberta government. Also, I am aware that as a result of that mission Iran has requested that a

research chemist come to Alberta to learn the bread-baking techniques. Could the minister advise whether this chemist has arrived; and, if so, is he deriving the achievements that were expected of him?

MR. MOORE: Mr. Speaker, the answer to the question is no, the individual referred to by the hon. member has not yet arrived, the problem, as I understand it, being basically one of clearance through customs before he leaves that country. But we're looking forward to his arrival very shortly.

MR. BATIUK: A supplementary, Mr. Speaker. There is no possibility that his trip to Alberta will be totally cancelled?

MR. MOORE: Mr. Speaker, I don't think so. Our interest in having this individual come to Alberta is to gain some experience here with regard to the use of Alberta-grown grains, and to give us some better insight into the use of certain wheats — in particular, white wheat — in the Middle East countries. That initiative, or the possibility of markets in that area, which I think was first brought to our attention by the Premier's visit there last spring, is being followed up in this way, and indeed in a number of other ways.

MR. BATIUK: A final supplementary question to the minister, Mr. Speaker. Could the minister advise of the impact, if any, of this chemist's coming to learn the bread-baking techniques here?

MR. MOORE: Mr. Speaker, I think I answered that in my previous remarks. It's one of a number of ways we're following up the initiatives that need to be taken with respect to grain marketing.

MR. BATIUK: Mr. Speaker, a second final supplementary, but this to the hon. Premier. Could the Premier advise whether he is considering such trade missions in future?

MR. LOUGHEED: Mr. Speaker, within not too many days I hope to be placing before the Legislative Assembly some correspondence that bears on the grain-marketing strategy for Canada. I would prefer to respond perhaps to that question after that information has been tabled in the House.

Senior Citizens' Housing

MR. MANDEVILLE: Thank you, Mr. Speaker. My question to the hon. Minister of Housing and Public Works is with regard to senior citizens' self-contained housing. I understand the program was set up to provide apartment units to senior citizens at rents they could afford. Could the minister explain the rationale for raising the rental rates from a maximum of 25 per cent of their total income to 30 per cent?

MR. CHAMBERS: Mr. Speaker, first of all I'd like to thank the hon. member for giving me some advance notice this morning of the general area of his concern.

In checking my files, I would like to point out that on August 22 a letter was fairly widely distributed to authorities and non-profit groups. It contained quite a detailed list of the considerations involved in raising

that number to 30 per cent. If you like, I could go over it or read it now, but it is fairly long. I'd be quite prepared to provide the hon. member with the details, if he wishes.

MR. NOTLEY: Table it.

MR. MANDEVILLE: Yes, I'll agree to that if the hon. minister can get me that information.

A supplementary, Mr. Speaker. Has the minister received any representation from senior citizens or organizations that manage these housing units with regard to the 30 per cent of total income rental rate?

MR. CHAMBERS: Yes, a few, Mr. Speaker; though I would suggest, again from looking at the files, primarily in terms of clarification of the new policy.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. Could the minister indicate if there is a vacancy rate in the senior citizens' self-contained units in the province?

MR. CHAMBERS: Mr. Speaker, they're very low. Again, in checking I found that the vacancy rates are generally approaching nil, less than 1 per cent. There are isolated instances, if you like, where they're perhaps higher, at least on an interim basis. But overall, on an average they're quite low.

Treaty Indians

MR. R. SPEAKER: Mr. Speaker, my question to the Minister Without Portfolio responsible for Native Affairs is relative to the announcement today. I wonder if the minister could indicate what representations and discussions he or his staff has had with Ottawa with regard to the program announced today.

MR. BOGLE: Mr. Speaker, a copy of the statement was telexed to Ottawa this afternoon. Members of my staff, along with one representative from the Department of Social Services and Community Health, are currently on their way to Ottawa, where there will be discussions tomorrow with the deputy minister as well as other officials within the department. Next week there will be discussions with officials from other provincial governments.

MR. TESOLIN: A supplementary, Mr. Speaker, if I may. Has the minister communicated with the Indian chiefs of Alberta on the details of the announcement today?

MR. BOGLE: Also earlier today, Mr. Speaker, copies of the statement, along with correspondence between our Premier and the Prime Minister relative to the special arrangement which exists between treaty Indians and the federal government, along with a covering letter from me, were mailed to the 42 chiefs in Alberta. A copy of that correspondence was sent to the president of the Indian Association.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Can the minister indicate whether he had direct preliminary discussions with the federal minister with regard to this policy, and what seemed

to be the general reaction of the federal minister to those discussions?

MR. BOGLE: No, Mr. Speaker, there were no conversations between me and the federal minister.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Could the minister indicate whether the Enoch band, which wishes to develop, a subdivision and housing just out of the city of Edmonton, can proceed with that housing development at this time under the terms of the policy?

MR. BOGLE: Mr. Speaker, the question of urban development on a reserve is really a separate issue. At the present time, two reserves in Alberta are moving in that direction, with plans to develop both the Sarcee reserve near the city of Calgary and the Enoch reserve near the city of Edmonton. It's a subject that we're following very closely. We're trying to assist as much as possible, recognizing some of the very delicate matters which are involved, such as planning, control of planning, and some of the jurisdictional matters which have yet to be ironed out among the bands, the federal government, and us.

MR. NOTLEY: Mr. Speaker, I'd like pose a supplementary question to the hon. minister and ask if he could advise the Assembly what the grounds were for arriving at a 10-year target date. Is this based on budgetary considerations, federal/provincial negotiations, or as a consequence of consultation either with the chiefs directly or with the Alberta Indian Association?

MR. BOGLE: Mr. Speaker, the question of implementation of the policy is one which received a lot of consideration by us. One of our main concerns was not to establish any false expectations and leave the impression that we could in some way solve all the problems overnight. The other is a very realistic understanding that we don't have the resources provincially, either in terms of manpower or other special needs, to go in and provide the services over a period of one year or less. It's going to take time.

The other reason is that, as the hon. member may recall, the services will be implemented only upon request of the bands. We didn't want to give the impression that this is something we have worked with the federal government behind closed doors. No. It's a policy, it's the way we intend to go. We think 10 years is a realistic time frame. We think we can provide the services during that period of time. If the bands request the assistance, we think we'll be prepared to do it.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The minister indicated in the announcement that Alberta would proceed with respect to treaty Indians living on reserves, providing the federal government paid the costs for those people on the reserves. Have we been given any assurance at this stage or any indication by the federal government as to whether they are prepared to support this kind of policy and pay those costs?

MR. BOGLE: That's a very appropriate question, Mr. Speaker. As there have not been discussions with my federal counterpart, I can't give a definite answer

to that specific question.

But might I say that the Minister of Social Services and Community Health and I have worked on a similar project on a much smaller basis; that is, the extension of social services, something we worked on with the Indian leadership in the province. It appears to be acceptable to the treaty Indian people in that it does not in any way erode the special status the treaty Indians have with the federal government. Although we provide the services, the federal government pays for those services on 100 per cent fee-for-service basis.

As we have worked out those arrangements in a couple of instances, we think we can do the same thing with the federal government in other parts of the province on a whole range of issues. But I think the key to remember is that we'll act only if requested to do so by the band, and after we have the financial arrangements worked out with the federal government.

MR. CLARK: Mr. Speaker, a supplementary question to the minister, having regard for his comment about not wanting to have false expectations as far as the native people are concerned. Mr. Minister, what contingency plans does your office have for a request which comes from a band during a period of negotiations between Alberta and the feds? What contingency plans are there? As my colleague can tell you, negotiations have been going on for years to get the federal government to move in that direction.

MR. BOGLE: Mr. Speaker, the Leader of the Opposition has posed an excellent question, [interjections] I'll respond if the hon. leader will give me an opportunity.

As I said earlier, the whole question of the provision of services is one that we spent a considerable period of time on. We think it was important to put the policy in place. The policy is basically that first the request must come from the band. In other words, if the bands are not overly enthusiastic about the policy, few requests, if any, will come forward. On the other hand, if bands are excited about it and want to redirect some of the federal Indian Affairs funds which are currently used in Alberta, then they have the right to do so. They can make that argument with the federal government.

I might mention a case in point. When negotiations were taking place between us and representatives from the Sturgeon Lake band in northern Alberta regarding the extension of social services, the band chief and members of his council visited Ottawa, the federal Minister of Indian Affairs, to put pressure on because they were not getting the kind of response they wanted. The response came through, Mr. Speaker.

So I guess it would be very easy to say that if the request is made, we'll rush ahead. Unfortunately it's not that simple. It's more complicated. It's going to take pressure by the Indian people, the commitment that they actually want to access the services. If they do, and they're prepared to work with the federal government on providing that fee-for-service basis, we'll certainly do our part as a provincial government in extending those services.

But it must be kept in mind, Mr. Speaker, that for the province to move in any other way, and to assume

a portion of the cost of the services which are being provided on-reserve, would be interpreted by many Indian leaders as an attempt to implement the white paper of 1968.

MR. CLARK: Mr. Speaker, to the hon. minister. Is it a fair assessment that once a request comes from a band to the government of Alberta, and during the period of time that there is no agreement worked out between the federal government and Alberta, in fact that band could not expect the services to be made available to it?

MR. BOGLE: Just to clarify, Mr. Speaker, the procedure would be slightly different. The band would make its request through the federal government, because the services either are now being provided by the federal government or are non-existent. That would be the first step. Once that step has been initiated, we in the province would begin to gear up, anticipating that move, but recognizing that we have our own budgetary limitations on the program, and it would be something that would go through the normal budgetary review.

MR. CLARK: To the minister, once again on this question of false expectations. Mr. Minister, once the band has made the application, and if there's no agreement with the federal government, I take it from your announcement that the province will not be prepared to move into that area and extend services. Is that a fair assessment of the announcement, during this period of time when there's no agreement with the federal government?

MR. BOGLE: The short answer to that, Mr. Speaker, is yes. A slightly longer answer, and I think it's needed to give full explanation, is that we must recognize that the federal government's budget on reserves today, through the Department of Indian Affairs alone, is in the neighborhood of \$60 million. So we're not talking about a vacuum that does not now exist. In many areas we're talking about services which may be provided. In many cases they're not services up to provincial standards, but they're services.

So funds are available that are being channelled into reserves by the federal government at the present time. The key element is whether or not the treaty Indians want to access the provincial services.

MR. SPEAKER: Might this be the last supplementary on this topic.

MR. R. SPEAKER: Supplementary to the minister. I make the assumption that there would be a series of meetings in negotiation, but is it the intention of the minister to involve the band chiefs, the Indian Association, and maybe other interested groups in this early series of negotiations that are going to be initiated in Ottawa tomorrow?

MR. BOGLE: Mr. Speaker, the meetings to take place in Ottawa are between officials of this government and officials of the federal government, and will not include representatives from either the bands or the Indian Association. However, in the covering letter which went out with the statement and the other

pertinent information today to the 42 chiefs and the president of the Indian Association, my closing paragraph clearly indicates that we intend to follow up with meetings, initiated either by bands on their own or through the Indian Association, so we can sit down and discuss the policy in some detail.

Wage Guidelines

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Provincial Treasurer and ask if the government is giving any consideration to re-evaluating the 6 to 7 per cent wage guidelines for public employees, in light of the Statistics Canada survey of six days ago indicating that Calgary has the highest boost in the cost of living for the last month, and that the average increase in the consumer price index for Edmonton and Calgary is just under 9 per cent.

MR. LEITCH: Mr. Speaker, the answer to the question is no.

Food Prices

MR. NOTLEY: Mr. Speaker, a supplementary question to either the hon. Provincial Treasurer or the hon. Minister of Consumer and Corporate Affairs. Has the government made any appraisal of the impact of average increases in food prices during the last year? Information recently compiled by the Department of Agriculture indicates a 19.8 per cent increase in Edmonton and a 20.3 per cent increase in Calgary; unfortunately not too much of it getting back to the farmer. Has any consideration been made of this information prepared by the Department of Agriculture?

MR. LEITCH: Not that I am aware of, Mr. Speaker.

MR. NOTLEY: A supplementary question to the hon. Minister of Consumer and Corporate Affairs. Has the government taken any steps to follow up the conclusions in the Mallen report of 1976 that indicated that because of the rather monopolistic control of the food industry in Alberta, the retail outlets in Edmonton and Calgary, consumers in this province are paying approximately 7 per cent more than they should, were there an effective competitive market?

My question, Mr. Speaker, is: in light of its effort to fight inflation and to urge working people to accept the guidelines, what steps has the government taken to follow up the disturbing conclusions in this report?

MR. HARLE: Mr. Speaker, the government has had under continuous review some of the matters that are alluded to in the question raised by the hon. member. I might say that as far as that particular report was concerned, my recollection would be that even the Food Prices Review Board considered that only one opinion and, even at that, raised some doubtful conclusions.

I might say also that in the checking of increases in the CPI, I think a great deal of care should be taken in some of the conclusions made in the question by the hon. member. The nature of the index is such that there may be less significance to the increases than the conclusions made by the hon. member.

MR. MOORE: Mr. Speaker, I wonder if I could just supplement the hon. member's answer by saying that the House may be misled by the question by the hon. Member for Spirit River-Fairview in referring to a Department of Agriculture food price review.

The facts of the matter are that the food price review by the Department of Agriculture is carried out weekly at Edmonton and Calgary. This has been done for some years. The base figure of 100 is the average food prices for the calendar year 1975. Since that time, Mr. Speaker — some two years and four months now — there has been an increase in food prices of less than 20 per cent. Most recently those increases have resulted from some fair improvements in our cattle prices.

So overall, considering that period of time, Mr. Speaker, the increase in food costs in this province at the retail level have been substantially less than the average increases in wages across the province.

MR. NOTLEY: Mr. Speaker, a supplementary question. I don't want to get into a statistical argument with the hon. Minister of Agriculture. But in reading the figures I have here from the statistics branch, I think my figure of 20 per cent is accurate. But the question to the hon. minister really is: what specific steps has the Alberta government taken to follow up the rather disturbing conclusions contained in the Mallen report? Has any study been commissioned to examine the economic concentration of power in a few companies, as far as the retail food market is concerned in this province? I pose that question to the hon. Minister of Consumer and Corporate Affairs.

MR. HARLE: Mr. Speaker, all I can say is that matter is under continual assessment. I would caution the hon. member from making the point that that report was in fact accepted by the Food Prices Review Board.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. My question flows from the fact that the Food Prices Review Board suggested further information should be obtained. Has the government of Alberta commissioned any studies to obtain additional information?

MR. HARLE: As I have indicated, Mr. Speaker, there is continuous concern with the structure of the food distribution system in the province.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Keeping in mind the continuous concern, has that continuous concern led to the commissioning of any specific studies or reports to evaluate the conclusions of the Mallen report?

MR. HARLE: Mr. Speaker, as a fair amount of material has been produced in various royal commissions which have been held in Canada, including one on corporate concentration which I believe has not yet reported, from the department's point of view we have not engaged an outside consultant to do any further studies.

Wage Guidelines (continued)

MR. CLARK: Mr. Speaker, I'd like to direct a supplementary question to the Provincial Treasurer. It really flows from the first question asked by the Member for Spirit River-Fairview, dealing with the wage guidelines that the province announced some months ago. It deals with the settlement arrived at in Calgary. Is the government going to reconsider or reassess its public sector wage guidelines, or did the contract settled in Calgary live up to the guidelines which the government had laid down to municipalities?

MR. LEITCH: Mr. Speaker, I interpret the question of the Leader of the Opposition to be whether the recent settlement in Calgary fell within the guidelines. I should respond by saying I don't have all the details of that settlement. It may be some time before I'm aware of all the details.

I believe, though, Mr. Speaker, one can say that some will interpret the settlement as having fallen outside the guidelines and others will interpret it as being within the guidelines, particularly in view of the increase of 6 per cent in salaries this year and, as I recall, a comparable increase in salaries for next year, subject to a provision regarding the cost of living. So from the information I have, I would think it might be interpreted either way, with one interpretation relying on the reduction in hours. As I understand it, the situation in Calgary with respect to hours worked by the outside workers was somewhat unusual.

Finally, Mr. Speaker, in response to the hon. leader's question I just observe that any costs of the settlement are of course borne by the municipal taxpayers of the city of Calgary and are not part of the provincial budget.

MR. CLARK: Mr. Speaker, one further supplementary to the Provincial Treasurer. In light of the settlement at Calgary, is the government going to reconsider its public sector wage guidelines announced some time last fall?

MR. LEITCH: Certainly not, Mr. Speaker.

MR. LYSONS: Mr. Speaker, I'd like to direct a supplementary to the Minister of Consumer and Corporate Affairs. In view of the cost of living increases experienced across Canada, is it fair to say that the drop of sales tax on gasoline should have a favorable bearing on all aspects of Alberta life?

MR. SPEAKER: The hon. member has certainly asked an important question, but it is one that outright solicits an opinion, and perhaps his own opinion would be quite valid.

MR. NOTLEY: Mr. Speaker, might I pose a final supplementary question to the hon. Minister of Labour on this question of the guidelines. Has the Department of Labour issued to conciliators and mediators a summary of the government's position on the guidelines so that they will have that position officially and formally in front of them as they do their conciliation work?

MR. CRAWFORD: I would think the answer to that question is no, Mr. Speaker. The guidelines are published for the benefit of the people of Alberta as a whole, and are not in any sense unknown in the province. That the guidelines exist is certainly in the minds of the parties who are bargaining. The government certainly has not only expectations but a strong and firm policy position in respect to the way people will regard those guidelines.

The job of a conciliator or a mediator, of course, is another matter. They work within the framework available to them, having regard to the positions of the parties.

Hospital Budgets

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Hospitals and Medical Care. I received a letter as late as yesterday. One of the constituents had broken his ankle and was told by his doctor that a cast would not be put on his ankle immediately because the orderly who performed this type of work had been laid off due to budget cuts, [interjections] It is very hard for me to believe. I wonder if the minister is aware of that situation.

MR. MINIELY: Mr. Speaker, I think I've indicated in this House before that too frequently — and I guess it's perhaps understandable — individual members of the medical profession may use the province as an easy target or excuse for why a patient may not get into the particular hospital where they have admitting privileges. Certainly that's clearly the judgment of individual physicians in Alberta working through admission committees in hospitals. They're responsible for that, and that's where the matter should rest.

Oil Exploration

MR. APPLEBY: Mr. Speaker, I'd like to ask a question of the hon. Minister of Energy and Natural Resources. This arises out of the ministerial statement made this afternoon dealing with oil and natural gas exploration in the bombing/gunnery range in northeast Alberta. Could the minister inform us whether the Alberta Energy Company will be farming out any of the exploration programs on these lands to the public sector or the free-enterprise sector of the province?

MR. GETTY: Mr. Speaker, that was the manner in which the Alberta Energy Company carried out exploration in the Suffield block. I understand it would be their number one priority in the Primrose Lake block as well.

MR. APPLEBY: A supplementary question, Mr. Speaker. In view of the restricted and possibly unique conditions that will be required in such an exploration program, I wonder if the minister would inform us if AEC is having to set up any special supervisory programs, procedures, or practices in this area.

MR. GETTY: Well, Mr. Speaker, they had to do that in the Suffield block operation as well. It's too early to know whether it would be required in the Primrose

Lake block, but my judgment would be that they would.

Licence Plates

MR. GOGO: Thank you, Mr. Speaker. I have a question for the hon. Solicitor General concerning licence plates. Insofar as the government announced recently that the deadline for licence plates would be April 30, and that is a legal holiday, being a Sunday, is the government prepared to extend it to the following day?

MR. FARRAN: Mr. Speaker, because the April 30 deadline is on a Sunday, the act is interpreted in such a fashion that the police will not enforce the legislation or the registration of renewals until midnight on Monday, May 1. All police have been so advised.

Also as a further concession, for the convenience of the public — rather, I should say the slowpokes among the public — I have instructed the branch to arrange for motor vehicles branch licensing outlets, one in Calgary and one in Edmonton, to remain open on Saturday from 10 in the morning until 5 in the evening. Recognizing that people have had two months in which to buy their licences, but looking at the figures of the 5 per cent of people who still haven't purchased them, most of whom are in Calgary and Edmonton, also appreciating that this will have an effect on my budget in terms of overtime, nonetheless we have instructed these branches to remain open on Saturday because April 30 is on a Sunday.

Electronics Industry (continued)

MR. DOWLING: Mr. Speaker, by way of further response to the hon. Leader of the Opposition, I understand now that, as I indicated, modular bids are accepted for portions of major contracts let by AGT. Price, quality, service, and that type of thing being equal, the Alberta bidder would receive the contract, price being the most important item.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS (Committee of Supply)

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will now come to order.

Department of Education

1.0.8 — Planning and Research

MR. KOZIAK: Mr. Chairman, on Monday the Leader of the Opposition wanted further explanation of the reason for the increase in Code 430. At that time, I pointed out that I felt the major portion of the increase was a result of two specific thrusts: first, the funding for the possible implementation of stage two of Education North; and secondly, the matter of the

marking of the English essay examination.

On checking this further, I find that the information I supplied on Monday was in fact correct. In terms of providing the complete details, comparing the total difference for Code 430 in Vote 1 between this year's estimates and last year's forecast, as opposed to last year's estimates, which shows a spread of approximately \$440,000, the breakdown would be: \$230,000 toward the Education North phase two project; approximately \$90,000 would be related to activities of the Minister's Advisory Committee on Student Achievement and contracts where moneys were not spent last year because of delay in negotiations of certain contracts.

In this respect I would refer hon. members to the fact that the estimates in Code 430 for last year were \$584,000, and the forecast of expenditure for last year was somewhat lower at \$517,000. In addition, \$100,000 would be attributable to the marking of the high school English essay achievement test later on this year and some small items dealing with, in some cases, underexpenditure in the previous budget year and movement forward to this budget year. The major items, Mr. Chairman, are the Education North project, the high school English achievement essay question that will be marked, and the Minister's Advisory Committee on Student Achievement, coupled with contracts that weren't negotiated in time to be paid for out of last year's budget.

MR. CLARK: Mr. Minister, when might we expect something concrete from the Advisory Committee on Student Achievement?

MR. KOZIAK: Well, Mr. Chairman, we've already received something concrete from that committee, and that is the study on the grade 12 examinations, as a result of which I made a ministerial statement in the House last fall. The information relative to the achievement of the Edmonton grade 3 students was made public some time ago. Examinations are being administered throughout the province at the grades 3, 6, 9, and 12 levels, and the completed report of that committee should reach me, I would hope, by the end of this year. That was our original time line. There may be a bit of delay, but that was the original time line. I have no indication that we will stray very far from that time line, but I don't want to hold out expectations at this point.

MR. CLARK: Mr. Minister, are you going to wait to make a final decision on the question of grade 12 examinations — which I happen to favor quite strongly — until, let's say, next December or the first of the year? Is that when we can expect a final decision? Frankly I think we should move to a situation where in certain grade 12 subjects 50 per cent of the mark comes from departmental examinations and 50 per cent from the student's work during the year. I'm sure that's not going to convince the minister. But, Mr. Minister, when might we expect a decision in that area by the government?

MR. KOZIAK: I find there's a greater propensity for support of grade 12 examinations by those who have already written them, so I can appreciate the position the hon. Leader of the Opposition has taken. The decision on the matter of compulsory departmental

examinations will be taken after the completed report of the Minister's Advisory Committee on Student Achievement is in.

There are other considerations besides whether or not a compulsory departmental examination should be administered. Considerations that would be taken into account in that determination would be the grade those examinations should be at; is grade 12 the correct grade? Historically that is the grade at which they were administered, but that doesn't mean it was done correctly. Perhaps it should be grade 9; perhaps it should be grade 11. Of course these considerations will have to be taken into account after the advisory committee has completed its report.

Agreed to:	
1.0.8 — Planning and Research	\$1,265,300
Total Vote 1 — Departmental Support	
Services	\$5,617,895
Total Vote 1 — Capital	\$74,745

2.1 — Grants to Schools

MR. NOTLEY: Mr. Chairman, I have a few comments I had begun to make, and I wanted to ask several questions as well.

When the committee last met, I raised the question of the grant structure as it relates to rural Alberta. I think I made most of the points that were relevant, except to say that a whole series of anomalies are created as a consequence of the, I think, inequities in the foundation plan system as it applies to rural Alberta. You have situations like the Irma high school, where they have a new industrial arts facility. They've spent the money to build it, but unfortunately they haven't got the money to provide a teacher. That kind of thing is repeated in different ways throughout rural Alberta.

Mr. Chairman, I'd like to put a specific question to the minister, and I would refer him to page 113 of the estimates, under School Foundation Program Fund. There's an opening balance of \$1,926,000 and a closing balance of \$9,695,000 at the end of the year. In other words, that balance is increasing by \$8 million. It was always my understanding that the money that came into the school foundation plan would in fact be paid out to the divisions. What we've got is an increase of \$8 million in the balance between the beginning of the year and the end of the year. I'd like the minister to advise us, first of all, just what that \$8 million is . . .

MR. CLARK: It's \$9.7 million.

MR. NOTLEY: Yes, it's \$9,695,000 at the end of the year.

What is the procedure on this matter? Is it a little goody bag the minister is going to have for the latter part of the year, so he can allay some of the school boards that are getting a little concerned at the grant structure? What's the basis of it? I look over the various components, and I just can't see how you arrive at those figures.

So I'd like the minister, in responding to my comments, to advise the committee specifically what the procedures are as to payment of funds under the school foundation plan. As I say, it was always my

understanding that the moneys put in would in fact be paid out. Let me just suggest to the minister that that extra \$9,695,000 might go some distance to improving the problems of rural school divisions, and I would recommend that the government give consideration to that fairly soon.

Now I want to deal with several other questions in a general way, Mr. Chairman; then there will be separate questions flowing from them. The last time the committee met, I mentioned private schools. We have 5,519 pupils in accredited private schools. Under the terms of this budget, these accredited private schools will be receiving in total — not just through the grants for each pupil, but the total package of programs — an increase of approximately 42.3 per cent. On the other hand, the 423,000 students in the public school system will get substantially less than that. They will get a little more than 6 per cent because there are other programs that go to the public school system too.

We do have a very substantial increase in the funding for private schools and a much more modest increase in percentage terms, in the funding for the public school system. I raised the point yesterday. I think we need to know from the government what the objective is on private schools. Last year the grants for private schools were 50 per cent of the grants for the public school system. This year, under the terms of this budget, it's my understanding that they work out to 55 per cent. But I think we have to know what the target date is. Clearly, some people in the private school system would like almost parity, or perhaps even parity, with the public system.

I just say to you, Mr. Minister, I quite frankly believe that would be a mistake. While it's all well and fine to have approved private schools, it seems to me that those people who choose to send their children to that kind of institution have to be prepared to pick up at least a large part of the financial responsibility for doing so. The closer we get to equal funding between the private and the public school systems, inevitably we're going to find a fragmentation of our public school system.

I couldn't help but see a rather interesting dichotomy in the government's approach today. We were sitting in Public Accounts this morning, and the question arose of whether or not we should have AGT considering modular tendering so that small Alberta-based companies could get a piece of the action. The minister — and I'm sorry he's not in his place at the moment — got up in a very forceful way, quite self-righteous as a matter of fact, and indicated that he didn't like to see this done, that because of the scale of things we had to have bids that could be tendered for by large, integrated companies, and really the whole question of size, the so-called advantages that come from large sizes. But on the other hand, Mr. Minister, in the school system we seem to be moving in precisely the opposite direction, because the more we fragment the public system, inevitably the costs are going to go up.

Now some people may well argue that that provides choice in the system. I don't agree that it does, but some people would make that argument. It was made in the House here in 1973 in a debate the Member for Lethbridge West had introduced in the Assembly. But I think the inevitable result of proliferation, if you like, of private schools which will

come as a result of increasing the funding — and if we're talking about 75, 80, 85, or 90 per cent funding, inevitably it seems to me we will have a whole series of these private schools cropping up.

The other point on the private school question, Mr. Chairman, is that the only control we really have over approved private schools at this stage of the game is the curriculum and teacher accreditation. They're two important controls, and I want to come to that in a moment. But we really don't have any control over the administration of the funds; we don't have the sense of accountability in terms of public funding, or our share of the funding that we do through the public system or the public separate system. I think that's an important thing to keep in mind.

Might I just say that for those people who argue that we need more diversity in our school system, it strikes me that the place to emphasize that approach in developing diversity is in the public system. I think there can be much more flexibility, particularly in the larger public systems. When I go to a high school like Old Scona in Edmonton, for example, I see a rather different approach in that school, a very heavy emphasis on the academic approach compared to some of the other schools. In my view, that sort of broad policy that allows for flexibility within the public system is one we should encourage. But whether we want to go the next step and say, well, this group, this group, and this group are all going to be setting up their own schools, in my view leads us to the question of how far we can really make our public education dollars go efficiently and to what extent the overall performance of the public system will decline as a consequence of fragmentation.

That leads me to the other point I want to raise, Mr. Chairman: the question of the so-called category four private schools. I want to begin my remarks by saying that I have tremendous respect for the Mennonite people. I don't say that in a gratuitous way; I say it because I went to a little school, the Didsbury high school in the riding of the Member for Olds-Didsbury. He will note that approximately half the students in that school are from various Mennonite Brethren communities, not the Holdeman sect but various Mennonite churches. I would say to you, Mr. Minister, that I look and see the present move to set up distinct schools and I'm a little sad at what I see. Because in the Didsbury high school, over a number of years they had developed what I thought was really a very good arrangement between the Mennonite and the non-Mennonite students. Everybody sort of backed off a little bit so they could live with the differences in religious backgrounds. I remember the whole approach to a high school party: the Mennonite people did not believe in dancing, so half the party would be a party and the other half a dance. That was the kind of accommodation between two religious groups which took place on an ongoing basis in a community. I really believe quite strongly that in many ways the Mennonite people can show us how to live.

However, having said that, we now face the question of the unaccredited private schools. What do we do with these schools? I would say to the minister, Mr. Chairman, that in the whole Linden affair I really have to ask the government why, through the AG's department, we got involved in the process. After Judge Oliver had made his decision we said we don't

propose to appeal this decision because after all our Bill of Rights is the primary legislation of the province; we'd be appealing our own Bill of Rights. I put it to you, Mr. Minister: why did the government get involved at any point? Why was it not left up to the Three Hills school division to pursue the matter of the truancy charge along with the ASTA and let it work through the court system? Why did we get involved then if we were worried about this issue of The Human Rights Act? Why did we get involved at the beginning of the entire debate? Because even when the matter first arose, the basic argument of the Mennonite Holdeman sect was the human rights issue.

I would say that I don't believe the government was caught. After the decision by Judge Oliver, I don't believe we were caught in an either/or situation: either we stand off and take the position we did, or we appeal that particular truancy charge. I agree that I don't think a great deal of public service would be gathered by appealing that individual truancy charge through the court system, but in The Judicature Act we did have the opportunity of exercising that right of referring the question of the legality of the regulations under The School Act, and The School Act vis-à-vis The Human Rights Act. It seems to me that should have been the position we took. We wouldn't be appealing our own act. We would be asking the Supreme Court of Alberta for clarification.

Now I have immense respect for Judge Oliver, but quite frankly I put it to you, Mr. Minister: if we are really serious about The Human Rights Act being the primary piece of legislation in the province, the question of clarifying that act and finding the dimensions of that act should not be determined by a provincial court judge, however much we may respect that individual. That should be the kind of clarification that comes from the Supreme Court of Alberta. Because of this provision in The Judicature Act, it wasn't necessary to drag the individual parents through the court system.

As I say, we could have referred the matter, and I say to you, Mr. Minister, why didn't we do that? It seems to me that would have been by far the best arrangement for everybody — from the viewpoint of the Holdeman sect, because they would know what their rights are, and from the viewpoints of the Department of Education, the teachers, and the students. It seems to me it would have given us the clarification, and from that point of view, from the standpoint of the members of this Assembly who have to make the laws of the province of Alberta, we would clearly know where we stand, one act versus the other.

I know regulations were drafted and on March 27, I believe, sent out to the different divisions. But, Mr. Minister, we are putting our public divisions in an extremely difficult position. We are saying to the Spirit River division or the Smoky River division: through the truancy provisions you must make sure these unaccredited private schools make application, and as superintendents or school board officials, you must take the necessary legal action to make sure that is done. Quite frankly, I don't think that's fair. It's not fair because here is a group of people choosing to opt out of the public system. How can we then foist upon the public system, the local officials, the responsibility of ensuring that school A, B, or C ap-

plies to your office and, if the students aren't going to school, that they are prosecuted under the truancy provisions and the local people have to undertake the prosecution? It seems to me we have a kind of tricky issue and if we just fob it off on the local school boards, it can only create a lot of trouble in the long run.

Mr. Chairman, to summarize my view, I say we should seek clarification from the Supreme Court on just what the boundary lines are. If we find the Supreme Court rules that in fact Mr. Justice Oliver's decision is the correct one, I think we're going to have to live with that. But in my view, we should get that kind of clarification from the top court in the province.

The minister has come out with guidelines and regulations, but who is to say these regulations won't be challenged? I'm sure at some point they probably will be challenged. With the Holdeman sect we have a situation where I would guess in most cases they are going to work within those guidelines and regulations. But once Judge Oliver's decision was made, we have all sorts of other groups that will be using the freedom of religion argument not only to challenge the question of accreditation, of their teachers but to challenge your regulations and guidelines and say we're the Flat Earth Society; we're not interested in the guidelines that Julian Koziak, Minister of Education, has come up with. We're not interested in that at all. It's basically part of our religion that we are not going to pay any attention to guidelines. They've got the decision of Judge Oliver, which becomes a precedent that is not yet finalized by the Supreme Court.

I would say to you, Mr. Minister, that with the various combinations and permutations that could well exist — we have the Old Believers group out of Plamondon who are thinking about setting up a school, and many other possible groups in the province who are going to entertain the proposition of setting up unaccredited private schools — in my view we have to come to grips with this. I think the place to start is getting a decision from the Supreme Court as to what the boundary lines are between The School Act on one hand and the Bill of Rights on the other.

MR. KOZIAK: Mr. Chairman, one of the questions posed by the hon. Member for Spirit River-Fairview was relative to the summary of the school foundation fund on page 113 of our book, where he points out that there is an opening balance of \$9,695,000. In my opening remarks I dealt with the fact that that is one of the aspects that should be considered in terms of the funds that will be going out to school boards during the course of this fiscal year. We shouldn't rely on the 6 or 6.5 per cent figure that's sometimes bandied about, because those funds are included in the moneys we expect to distribute to school boards during the course of the 1978-79 fiscal year, which in fact results in an increase of approximately 8.8 per cent over the 1977-78 fiscal year, in terms of funding for Alberta education.

How that balance in fact arose is another question. My comments there would be as follows. One should begin by looking at the opening balance of \$1,926,000 and subtracting that from it. Then one must also consider the growth in the SFPF levy beyond what was estimated. Last year we expected

that the 26 mills on commercial and industrial property in this province would in fact garner \$62,000,000. We were low on that estimate as a result of the overall growth of commercial and industrial assessment in this province, largely because of the programs of this government increasing development throughout the province. As a result, we have there an increase of \$5,838,000 that wasn't budgeted for.

The other approximately \$2 million would reflect funds that were not used from the \$130 million we provided in the way of supplementary estimates last fall. The \$130 million was a rough estimate as to what we would pay out during the months of January, February, and March, and the estimate was a little more than 1.5 per cent out. But those funds remain there for distribution to school boards this year, on the grant formulas that have already been announced.

We've dealt with the matter of rural school boards in previous discussions of the estimates of the Department of Education, in this committee in previous years. But I think I should again raise with hon. members the following programs that direct themselves, to some measure at least if not completely, to rural and small jurisdictions.

The hon. Member for Spirit River-Fairview properly indicated that the supplementary requisition equalization grant does in fact benefit jurisdictions with low per-pupil assessments. The information I have there is that in 1977, 67 per cent of the moneys voted under this grant went to boards other than the boards of city districts. In 1978 we expect that that 67 per cent will become 72 per cent and that the actual dollars going to boards other than city boards will increase by 15.6 per cent, as compared to 1977. It's definitely a recognition of the additional support that should be provided to those jurisdictions that don't have the wherewithal others do. That is the reason for that particular grant. The increase, although it's shown as being 6.5 per cent, is in fact 8 per cent over last year's estimates. We underestimated our requirements for last year, and additional funds were required to meet the grant announcements to boards last year. So in fact it's an 8 per cent increase over estimates relative to the grant announcements.

I mentioned SREG, the supplementary requisition equalization grant. I believe I mentioned the location allowance. If I haven't, we established a grant over the past year and a half, two years, to deal with jurisdictions that have isolated schools and problems that flow from isolation, a direct outgrowth of a study done by Gunnar Wahlstrom, pursuant to the Northland study, which was its predecessor. The location allowances that were then developed were a result of the study by Gunnar Wahlstrom.

Other areas in which rural jurisdictions receive additional support would be in the school buildings financing, where the ring system honors the fact that costs can increase as you move away from major construction areas. We have the rural transportation plan, for example. Although the rural students are fewer than the urban students, the moneys we provide to boards that transport students on the rural plan are about seven times as much as provided under the urban plan. A very important factor here relative to those rural boards is the elimination of the gasoline tax. As indicated in answer to questions in this House, that will amount to a saving to rural

boards of approximately \$600,000, a very significant saving.

Again on the transportation plan, last fall when we voted \$130 million by way of supplementary estimates for this department, those funds also went to provide school boards with grants for transportation during the months of January, February, and March. On that approximate 7:1 ratio I mentioned earlier, the benefit there in terms of interest savings is probably higher for rural boards than it is for urban.

I should also mention the superintendency grants, whereby we provide additional grants to small boards in general who share superintendency services; the small school assistance grant, which is limited to jurisdictions of 6,000 students; the learning disabilities fund, which provides grants on a per-pupil basis with a maximum amount. The educational opportunities fund: the compensatory portion of that program distributes funds primarily on the basis of the assessment base of jurisdictions, so those jurisdictions with a lower assessment base benefit from that program. We have the regional film libraries, the field services offices that move out of the Edmonton area to get closer to the boards. So I've listed a number of programs which deal with the problem the hon. member raised.

It's interesting also that, generally speaking, we don't see jurisdictions within the divisions or counties, which would be primarily those the hon. member refers to, in a financial state of health which is worse than that of their city cousins. For example, the information I have on the basis of budgets or statements that have been submitted to the department to this point would indicate that as of the end of 1977 school boards have an accumulated surplus of \$17,286,919. That is those that have surpluses. There are those that have deficits. Their accumulated deficits are \$2,771,088. It's significant that the accumulated surplus is increasing this year over the previous year. It's also significant that the accumulated deficits are decreasing this year relative to last year.

When one compares divisions — counties, districts, Roman Catholic school districts — one finds that divisions have 15.83 per cent of the students, but they have 29.07 per cent of the accumulated surplus. They generally seem to be doing quite well. Counties have 20.47 per cent of the students and 20.25 per cent of the accumulated surplus. So they're right on. The school districts have 44.95 per cent of the students — this would include major urban jurisdictions, Edmonton, Calgary — and 25.18 per cent of the accumulated surplus. The Roman Catholic school districts, with 17.73 per cent of the pupils, have 6.92 per cent of the accumulated surplus.

So in fact it would seem that the rural jurisdictions are probably better off than their city cousins as a result of the programs I have outlined. The exception would be the Roman Catholic school districts.

MR. NOTLEY: They cut more.

MR. KOZIAK: Well, that may be an indication of fiscal responsibility. I'm not sure. I'm just giving the hon. members the figures. I'm sure each can apply his own philosophy to the interpretation of those figures and come to a conclusion.

But as I indicated, the Roman Catholic school dis-

tricts, with 17.73 per cent of the pupils, have an accumulated surplus which is 6.92 per cent of the total surplus of school boards throughout the province, which probably reflects the fact that in many cases their assessment per student is lower than the public jurisdictions. To a small degree the amendment to The School Act that I've introduced in the House would attempt to close that gap.

The matter of the private schools: although the percentage is great relative to the total, the dollars are insignificant. We have some \$690 million for the total budget of the Department of Education, 98.1 per cent of which goes out in the way of grants to school boards and early childhood programs — grants basically. We have about \$2.8 million for private schools, less than half of 1 per cent of the budget, hardly something to get exercised about relative to the position of the public school/separate school system in this province.

Of course although the growth in terms of percentage is significant, it is very insignificant in terms of dollars. The growth in terms of percentage reflects the move from 50 to 55 per cent of SFPF funding. It reflects an increase in enrolment, and it reflects the distribution of that enrolment as between elementary, junior high, and senior high school students.

I think, though, what we're talking about here is not so much a question of funding. The hon. member poses the question: what are the ultimate goals in terms of funding of private schools? The figure this year is 55 per cent; last year it was 50 per cent; the year before 40 per cent; the year before 33.33 per cent. That would indicate a particular plan. I would see, Mr. Chairman, that over time we would see private schools in the category one group funded at perhaps 80 per cent of the school foundation program fund, not beyond that. Eighty per cent of the school foundation program fund is not 80 per cent of funding, as we all recognize by going through these grants. That does not include funding for transportation, capital funding, many of the other grants we provide such as SREG and those I've gone through and some I haven't. So 80 per cent by no means can be related to 80 per cent of funding. Nor do private schools have the ability to requisition funds by way of supplementary requisitions, as do the public and separate schools in this province.

I don't see that a move in that direction will in any way jeopardize the public and separate school systems in this province. In fact I see it as assisting those jurisdictions. Quite often a monopoly could use a little competition in terms of alternate forms of delivery. We've seen the benefits of that to date. In fact a number of private schools have become part of the public school system. We have the examples of the Talmud Torah in Edmonton, the Hebrew school in Calgary, the I.L. Peretz school in Calgary. We have that now in terms of jurisdictions providing alternate forms of education within their systems. The hon. Member for Spirit River-Fairview pointed out one of these in the Edmonton public school jurisdiction, Old Scona.

At one time, schools were content to provide the same programs in all their schools. Now they're looking very seriously at providing alternate forms of education within the system. An excellent move. We have many examples of that in Calgary. The Calgary public school board is providing within the system

schools which will have a religious flavor. An excellent move. All in all, I'm pleased with the direction we're seeing here.

The final point the hon. member raised was relative to the category four private school. He expressed concern about why the matter was not appealed further.

MR. NOTLEY: Referred, referred.

MR. KOZIAK: He began by querying why the Attorney General's Department first was involved. I should point out that the Attorney General's involvement was the direct result of laying the charge. The Attorney General is in a better position to respond, but from discussing this with him, my understanding is that for some time we've had private prosecutions of charges which are in fact provincial offences. In my opinion the Attorney General's Department rightly concluded that if a matter is a provincial offence, the charge or the responsibility for directing it through the court system should rest with the Attorney General's Department. That is the involvement of the Attorney General in that particular case.

Were it a private matter between two citizens or a private dispute between school boards, then the school boards would proceed in the normal civil manner, each having carriage of their case. But here we're involved with an offence the Attorney General is responsible for under our act, the administration of justice in the province. That doesn't mean the Attorney General or a government department must lay the charge in the first instance. Were the hon. member assaulted by some unknown upon leaving this Assembly, he would make his complaint to the appropriate police department. The subsequent carriage of the charge would not be with the hon. member unless he subsequently wanted to pursue civil damages. But the criminal aspect of it would be dealt with by the Attorney General's Department. We have a similar situation here.

Why was the matter not referred to a higher court? In fact the matter was referred to a higher court, the highest court in the land, which is here. Under The School Act the Legislature empowered the Lieutenant Governor in Council to pass regulations, and pursuant to that power and those provisions in the act, the Lieutenant Governor in Council did in fact pass those regulations. That is the highest court in terms of lawmaking, whether it be by legislation as it's done in this Assembly or by regulation as it's done by Executive Council. The decision was made there.

Of course the hon. member is free to indicate his displeasure with that decision. Were the hon. member the head of the government of the province of Alberta, I'm sure the decision would have been otherwise. Were the hon. member the head of the government of this province, perhaps there would be no funding for private schools. I don't know if that is on the record, but perhaps the hon. member would like to place it on the record so the people of Alberta would know where he stands, [interjections]

Finally, relative to the education of children, we will soon be debating in this Assembly the statement of goals for our educational system. In looking at the statement I tabled in this Assembly some days ago, one finds a recognition that in terms of a child's education the school cannot be everything. Perhaps

that view was held for some time. But I think more today than ever before we recognize that other agencies, of which the home is most important, play an extremely important role in a child's education.

Studies have indicated that the support a child receives at home for the education he is receiving in school is probably the most significant factor in terms of scholastic achievement. So if we can have that dovetailing, if we can have reinforcement of what takes place in the school taking place in the home, of what takes place in the home taking place in the school, it bodes well for the child's ultimate education. That principle exists in our early childhood program.

I'm satisfied that the type of support children receive from the home is an extremely significant factor in terms of students' ultimate achievement. And that exists in terms of the type of school I envisage under category four of the private school regulations. That's not to suggest that over time and as the grants to private schools increase, the category four schools may not in fact consider it in their best interests to apply for a category one school. That will always be open to those schools upon their meeting and complying with the regulations.

MR. NOTLEY: If I could just follow that up for a minute or two. First of all, Mr. Chairman, dealing with the whole question of category four schools, the minister indicates the government decided to take this to the highest court in the province, which is the Legislative Assembly. That's an interesting observation. I'm not sure it will go down as one of the classic statements in constitutional jurisprudence.

Mr. Chairman, the fact of the matter is that at stake here are these very regulations you people have passed. Because unless Judge Oliver's interpretation of the two acts, The School Act vis-a-vis The Human Rights Act, is clarified by the Supreme Court, in my view we're in a position at this juncture where these regulations are only as good as the consent you can obtain from the category four people. If at some point they choose to say, look, these regulations are not workable, we have no intention of complying with them because we have this decision by Judge Oliver that the whole question of human rights, freedom of religion, is such that these regulations aren't worth the paper they're printed on, then there will be further challenges.

What I'm saying to you, Mr. Minister, is: why did we not refer something as vital as this matter to the Supreme Court? We have the power to do that. As I understand The Judicature Act, we can refer these two acts for an interpretation. Then if the Supreme Court comes back and says, yes, the Bill of Rights challenges The School Act in this area, this area, and this area; the ability to make regulations under The School Act has been qualified in this area, this area, and this area; the ability of the minister to set standards has been qualified in this area, this area, and this area; then we as an Assembly are in a position to decide what to do, not simply to pass regulations by cabinet, but perhaps to make changes to The School Act. Or at least we're then in a position to live with a definitive interpretation by the highest court in the province.

Mr. Chairman, that seems to me a reasonable course that could have been followed in the best

interests of everyone, including the Holdeman sect. We have many other groups of people who could very well apply for the category four situation. I'm sure the government is banking on the assumption that we have only this one group of people in Alberta who are looking at establishing unaccredited category four private schools. But my guess is that we may find other groups pursuing the same course.

Mr. Chairman, the other point I'd like to make is with respect to private schools; that is, approved, accredited category one private schools. I think private schools are okay, providing the parents recognize that a very large part of the financial commitment to maintaining those schools must be met by the parents themselves, and that they teach an approved curriculum with accredited teachers. I don't believe we should be moving the funding up to 80 per cent parity. The whole question of the school system in this province — and it's part of the debate that centred around Alberta and Saskatchewan; it flowed from the great arguments over the Manitoba school question. A compromise was made by the Laurier government that we would have in fact two public systems: one would be a public system and one would be a separate system. That is part of the history of our province. Fair ball. We have two public systems.

But whether or not we move the next step and say to all other groups that would like to establish approved private schools — I had some people from the Church of Scientology to see me the other day, and I gather they have an approved private school. Are we going to allow these groups to get virtual equal funding? Not equal funding in terms of the supplementary requisition and the equalization fund, but in terms of the basic school foundation plan. If that's going to be our objective, Mr. Chairman and Mr. Minister, the inevitable consequence will be a tendency on the part of many people — properly motivated, I'm sure; I'm not questioning their motivation — to opt out of the public system and set up their own schools. The inevitable impact of that on most of our divisions is that these divisions, already caught in a tough financial squeeze, are going to be even more behind the eight ball. I think of my own community, where one of the churches is now actively pursuing the idea of setting up an approved private school. The closer we get to equal dollar funding, the more incentive there will be to move in that direction.

I raise that because it seems to me that the emphasis of public policy in this province should be to say that within our public system we should encourage flexibility and different types of schools. This is particularly practical in our large urban centres. But in my view, to set up a financial structure which will make it possible to proliferate private schools and have people opt out of the public or the public separate system can only make it more difficult for those people already caught with the rather onerous burden of making ends meet at the school board and county level, and at the city school board level in our major urban centres too.

If people want to send their children to private schools, the kind of funding we have now, 55 per cent parity, is more than fair. If they wish to seek that additional quality of education or distinctive education that a private school system operates, then it seems to me we have to accept the proposition that a large

part of the burden has to fall on the individuals who choose that course. I know people can say, aren't you being unfair to lower income people? The best way to be fair to low-income people, Mr. Minister, is to make sure your public and public separate school systems are adequately and more than adequately financed, so they have the flexibility of offering the alternative types of schools within their respective systems.

MR. KOZIAK: Mr. Chairman, there is no doubt that the hon. member and I hold a different philosophy on this. We can respond back and forth until June or July, and neither will be able to convince the other of his point of view. However, while he expresses concern for the public and separate systems that might lose enrolment to the private schools, he should keep in mind the support being provided by virtue of the announcement I made in the ministerial statement, when I dealt with this whole matter in the House earlier this spring relative to the support that school jurisdictions would receive on losing students to such private schools.

I should also point out that the supporters of private schools are in fact making a substantial economic as well as a moral commitment to the education of their children in these private schools. By no means do the funds they receive from the provincial government cover the entire cost of the education of their children. While they are making that financial and moral commitment, they are at the same time paying their taxes to the public systems. So the public systems are receiving supplementary requisition; they're receiving taxes for students they don't educate. So, far from the public systems suffering, if this were considered I suppose they might in fact be benefiting.

MR. CLARK: Mr. Chairman, I had planned to make some comments with regard to the private schools situation, but that seems to have been covered in some detail. I'd like to touch on three areas very quickly, then deal with what I consider likely the most important item in the minister's estimates; that is, the general priority which education has in this government's scheme of things.

First of all, Mr. Chairman, the minister waxed most eloquent when he talked about the goals and objectives, which we're going to be discussing next week or sometime before this House is over. In preparation for your speech, Mr. Minister, when you lead off that debate will you please explain to us — if your government places such a very high priority on the home and the family and so on — square for us the announcement made by your colleague the Minister of Social Services and Community Health that after a mother who is on social assistance has been home for four months, she should get out to work, and the youngsters should be placed in some sort of facilities.

I'll be very interested to see how you start from that basis. It will be interesting to check through the two or three government departments involved with family responsibilities to see if they share the same kind of commitment the minister has to the role of the family and the home, with regard to youngsters from four months until they start school. That's rather beside the point, Mr. Minister. Perhaps you could think of that when you lead off the debate, whenever that happens.

Mr. Minister, the first area I'd like you to give us

some information on really deals with one of my favorite topics, the Bonnyville-Cold Lake-Grand Centre area. In some detail, what specifically is the Department of Education doing in that particular jurisdiction to help plan for and cope with the eventuality of a plant going ahead in that area? If I'm not mistaken, that division is getting close to a \$200,000 shortfall in revenues compared to its expenditures this year. Perhaps I should say closer to \$180,000. That's really the first area.

Secondly, Mr. Minister, what's the situation with regard to the older, inner-city schools? And what plans does the government have to cope with the problems of an area like Mill Woods here in Edmonton? We can make a similar case for areas in Calgary. As our cities get larger, one of the institutions that can help an area of the city have a sense of community is the school. Look at the Mill Woods situation for a moment or two, especially junior and senior high school accommodations there. If we're really serious about trying to maintain or improve the quality of life in our two largest urban centres, for a moment or two let's stop to think in terms of what high school facilities, good school facilities, in the Mill Woods area can do to give that part of Edmonton a sense of community.

For years there has been talk in this Assembly about community use of schools and all the things that go with that. I recognize, Mr. Minister, you have a problem as far as inner-city schools are concerned. What are you going to do in those areas? Perhaps we'd better look at making them available for some other source of use, be it for the province, the city, or a variety of options.

Mr. Minister, the last matter I want to raise is the question of the priorities this government really places on education. During perhaps the last two or three years I think there has been a feeling, commonly held by many school trustees and people in the teaching profession at least, that there really has been a downplaying of the priority on education in the provincial government's budget.

Without trying to get into a long debate on the matter, Mr. Chairman, I would refer members to the information tabled in the Assembly last Friday by the Provincial Treasurer. I'd like to read from the comments the Provincial Treasurer made. This was on April 21 in *Hansard*, during question period. The Provincial Treasurer was filing some information with the Assembly from a debate we'd had some time ago. The Treasurer said:

... it may not be appropriate to do this during the question period, and if not, I'd request unanimous leave of the House to revert to Tabling Returns and Reports — I want to table a document I referred to during debate on Government Motion No. 5.

I think that was the debate on postsecondary educational financing.

I said I would get the document and later make it available to the House. Perhaps, Mr. Speaker, it would be more appropriate to do that under Tabling Returns and Reports.

Some members said, "Go ahead." Then Mr. Leitch, the Treasurer, said:

Mr. Speaker, I said during the debate that I was referring to an inflation index of 10.1 per cent averaged over the preceding four years, and that

there was a more appropriate index for university [financing] rates than the consumer price index, which I think had averaged 8.8 per cent over the same period. The index I was referring to was the implicit price index of gross national expenditure. I don't want to leave the impression that that index was an education inflation index; rather it's an inflation index that, in our view ...

and this is the most important point

... that, in our view, is more appropriate to use for education matters than the consumer price index.

So here we had the Provincial Treasurer tabling this information which talks about the percentage of change: in '74, 11.1 per cent; in '75, 11.7 per cent; in '76, 10.3 per cent; and in '77, 7.2 per cent, or an average change of 10.1 per cent over the past four years.

Mr. Minister, if we take the Treasurer at his word on April 21, that the government regards this as the most appropriate index for education expenditures, and then go back and look at the increases in your expenditures for the foundation program over the past four years — '74, '75, '76, and '77 — there isn't one year, not one year in the last four that the foundation program, which makes money available to local school boards, is equal to or above the percentage change for each year. Yet the Provincial Treasurer, the man who I assume is responsible in the end for establishing government priorities, says that this is the best educational index as far as the government is concerned.

Now I think that crystallizes the attitude of this government as to the priority for education. Clearly, in not one of the last four years has the assistance to public education in this province met the guideline which the Provincial Treasurer himself says the government uses as the best indicator. I can't put it any clearer than that, Mr. Minister. I don't know if the problem is that you can't milk more money out of your colleagues in cabinet, or whether you don't feel there's a need for more money as far as the 1 to 12 system is concerned.

Whichever way it is, Mr. Minister, in each of the last four years we've fallen behind what the government regards as the best education index. Clearly that gives credence to the views held by many people in the teaching profession, many school trustees, and others, that this government simply didn't place as high a priority on education in the last three years as it did previously, or as this government did from 1971 to '74. I won't get involved as far as the previous government is concerned. Mr. Minister, in my humble assessment, that is regrettable.

I don't know where the problem is: whether you as a minister aren't able to convince your cabinet colleagues, or in fact the cabinet itself simply says, look, there's too much money going into that area, and we're going to cut back. Clearly that's what has happened right across the province. It really wasn't until the Provincial Treasurer made these comments in the House last week that the information became as obvious as it is. I have no choice but to say this clearly sets out the priorities this government has as far as education is concerned.

In addition to commenting on this area, I would ask the minister to comment specifically with regard to

the Bonnyville situation and the inner school question.

MR. ASHTON: Mr. Chairman, when he's commenting on the special consideration he might give to the Bonnyville area, I would ask the hon. minister if he will also explain the special consideration that was given by the former government to Sherwood Park when it was growing at such a rapid rate. Of course, the answer is that they gave no consideration to that community when it was growing very, very rapidly.

I had a meeting with some of the board of education members from the county of Strathcona last night. Inevitably we were discussing some of the educational problems we've had over the years, and they recalled the double-shifting and the busing of students all the way from Sherwood Park to Ellerslie. When they got into this I said, wait a minute, let's stop now. That was before 1971, wasn't it? They agreed.

So perhaps the minister can explain all the special consideration that the Leader of the Opposition gave to Sherwood Park when he was Minister of Education.

MR. KOZIAK: Mr. Chairman, with respect to the last remarks, I'd like to but I don't know of any special considerations that community received under the former government.

In referring to the three items the hon. Leader of the Opposition raised, I should refer him to my remarks at the opening of my estimates on Monday. Perhaps he hasn't had a chance to digest those. On that occasion I indicated to hon. members the growth in expenditures since 1971-72. I suppose with percentages, statistics, and all that, it all depends on which base you use and how you calculate your percentages. Each will use his own calculation to support his argument, and we can pass like ships in the night. But I think it's wise to recall those figures.

In 1971-72 the total funding for basic education in this province was \$328,585,264. In this year's estimates, including the amounts on page 113, which are in addition to those in Vote 2 — I mean the \$9,695,000 there by way of an opening balance, and the \$78 million provided by the SFPF levy on commercial and industrial property — the total comes to \$690,855,905. Now, over that period of time we see that that's an increase of 110.3 per cent, which represents an average of 18.4 per cent for each of those years, substantially higher than the index suggested by the hon. Leader of the Opposition.

The other thing we should remember, of course, is that when we're talking about funding we're also talking about salaries. School jurisdictions expend the majority of the dollars they receive on salaries. About 75 to 80 per cent of all the expenditures are for salaries, primarily for instructional purposes.

When we take a look at what's happened there we find that from 1970-71 to 1976-77 — I don't have the figures for '77-78 yet — the consumer price index has increased from 100, its base in that year, to 159. In the same period, teachers' salaries have increased from a base of 100 in 1970-71 to 187.1 in '76-77, which is 28.1 points higher than the consumer price index, or 17.6 per cent greater than the consumer price index has increased. So the funding we've provided seems to have been fairly generous.

When the hon. Leader of the Opposition compares the expenditures in education relative to the rest of the budget, I should also point out that we shouldn't fall into the trap of comparing percentages with percentages and excluding other important factors. In the period we're talking about, 1971-78, the overall population of this province has increased by well over 300,000. Yet the school population has decreased by 4,000. As a result of the substantial increase in population, one would expect that there are other services the government must provide, and that it would be sheer folly to maintain set percentages without regard to other factors such as the growth of the population elsewhere. That growth in population, not taking place at the school level, is taking place at other levels. It's taking place at the senior citizen level, where many of our programs are directed. It's taking place in new areas which require water, sewage, and many of the facilities that were never provided by the former government. So we can't be stuck with fixed percentages; otherwise we wouldn't be needed here.

The \$130 million we provided last year by way of supplementary estimates seems to have slipped by many minds. That's a substantial commitment to education. That commitment of \$130 million, Mr. Chairman, is going to provide to school boards an annual saving in interest expenditures, which can then be translated into programs. That commitment — the first time ever in this Assembly that supplementary estimates have been introduced and passed — is a significant one relative to this government's commitment to education.

The matter of the Bonnyville area: the hon. Leader of the Opposition raises the present fiscal position of that board. My information is that departmental officials have met informally with the school division, have been of some assistance, and have suggested a formal budget review to the trustees of that division. The offer was turned down by the division. However, all the knowledge, abilities, and talents of the officers in the Department of Education will of course be at the disposal of the division when it comes time for them to plan for the population developments that might take place if — I say if — the proposed development in fact takes place. The hon. Minister of Energy and Natural Resources has dealt with that in the question period in this Assembly on numerous occasions.

The study the Leader of the Opposition referred to in his comments on Monday is very significant relative to his concerns on inner schools, and to some degree relative to the Bonnyville situation. The Woods Gordon study is of course public. The task force report is expected to be in my hands shortly. When that occurs I'll be in a position to review the reactions of schools boards across this province to the recommendations contained in the Woods Gordon study, and perhaps consider changes in our approaches to financing school facilities across the province.

One of the recommendations dealt with the role of the Department of Education, and suggested we become more a planning facility than an approval facility. That's a factor we will have to take into account. Another dealt with the role of the school relative to the community and the involvement of other agencies. I'm not sure that that's received favorable reac-

tion from school boards across the province. Individually some have expressed concerns to me on that point. But that matter will have to be considered.

The problem with respect to declining enrolments in the cities, the two major urban areas particularly, seems to be not so much with the inner school as it is with the sort of doughnut approach. In other words, the new subdivision of 10 years ago is the one that's really feeling the pinch today. The people who moved into those new subdivisions with young families have seen their children go through the schools in that area, and the children have moved on. They've gone to university; they've married and set up their own households, on the extremities of the city in many cases. The parents, the original settlers, are still in their homes, without children. So you see, this is a sort of doughnut situation with the school population in the centre core, but in the doughnut area there's a decline because of this phenomenon we experience in these cities. There again, what our role should be is one that we'll be examining as the reactions to the Woods Gordon study are considered.

I should point out, and all hon. members are aware of this, that the primary responsibility for the provision of school facilities — and the Leader of the Opposition is well aware of this because the act we live by is one that he introduced in this Assembly — that act provides that that primary responsibility rests with the local jurisdiction. Of course support is provided through the school foundation program fund and the school buildings branch under The School Buildings Act, but the primary responsibility is there. How that should change is of course a consideration that will be taken into account, as I say, when the reactions are studied.

MR. CLARK: I won't continue the argument with the statistics other than simply to say this: the minister talks about whose statistics one is using. I would just point out, Mr. Minister, that in this case I'm using the statistics presented by the Provincial Treasurer when he says, we view these to be the most appropriate to use for education matters, even more appropriate than the consumer price index. However, I'm sure we're not going to resolve that argument this afternoon.

Mr. Minister, I would ask you very specifically: what are the prospects for Mill Woods?

MR. KOZIAK: Mr. Chairman, under existing regulations the prospects are basically these. The city of Edmonton is divided into attendance areas for the purpose of the school buildings regulations, and Mill Woods falls within one of them. I shouldn't say "attendance areas"; I should say "utilization areas". Under the existing utilization rates, the Mill Woods area of the city falls into utilization area number three, and the present utilization of facilities in that area is 65 per cent, about two-thirds.

Under the existing regulations, if a utilization area has effective utilization of 90 per cent or more, with some indications of growth, new facilities would be recognized for funding. If a utilization area has 85 per cent utilization, with 5 per cent growth in each of the past two years, again new facilities would be recognized for funding. If a utilization area has 80 per cent effective utilization, with 10 per cent growth in each of the past two years, again additional facili-

ties would be recognized for funding.

As we can see, utilization area number three, in which Mill Woods is found, doesn't meet any of those requirements because of the existing utilization rate of 65 per cent. Apart from that, regardless of what the utilization is in an area, where a new subdivision is created which will result in students, we will provide elementary facilities. That's an exception to the rule, an exception to the overall regulations.

So we find in Mill Woods that elementary schools are provided as the need arises. The question in Mill Woods is not with respect to elementary facilities; it's with respect to junior and senior high school facilities. At the moment senior high school facilities are probably not in question, but junior high school facilities are. Under the regulations, unless we have a change in the area by virtue of the closure of some schools, or unless the utilization for other purposes of some schools is effected, the area cannot be recognized for junior or senior high school facilities.

Now I think what's significant here again is that we've provided within the Edmonton public school system approximately 13,290 new spaces in the course of the last six or seven years, at the same time as enrolment has dropped 10,380 students. We see that junior high school enrolments for the Edmonton public school system will probably drop by between 2,500 and 3,000 students over the course of the next three years. This is based on existing enrolments in grades 4, 5, and 6, compared with existing enrolments in grades 7, 8, and 9. So there is a problem.

I'm not holding out any hope, but I think that our review of the task force summary of reactions and the Woods Gordon study may lead us in certain directions. But those will have to await that particular review.

MR. CLARK: I would like to summarize what the minister has said: the chances are two — very little and none — as far as junior and senior high school facilities are concerned in Mill Woods under the existing regulations. And if people in Mill Woods want to get something done, they'd better get to the minister between now and the end of the year, so that when you're looking at the Woods Gordon report, you'll take situations such as Mill Woods into consideration when you're redoing the regulations. I take it, Mr. Minister, that's basically what you've said: unless there is a change in the regulations, there's no hope of junior or senior high facilities in Mill Woods?

MR. KOZIAK: Not quite. I've indicated the possibilities under the existing regulations. It's unnecessary to repeat those. I've already met of course with representatives of a group of petitioners. I should point out that I sent approximately 3,000 responses, I believe it was last month, to residents of Mill Woods who had signed a petition in this respect. Subsequent to the mailing of that response, I also met with a representative group of the petitioners, at which time we basically discussed those areas touched upon this afternoon, and others as well.

MR. CLARK: Mr. Minister, you said you wouldn't agree with my assessment that there was virtually no chance unless you were going to change the regulations. Then what route should these people go, Mr. Minister? If there's a chance for them, what route

should they be going? What things should they be doing between now and when you're going to be looking at these regulations?

MR. KOZIAK: Mr. Chairman, I have to come back to The School Act, which indicates in the first instance that the responsibility for the provision of school facilities is with the school jurisdiction. Now, the people involved are of course working closely with the Edmonton Public School Board and, I would imagine, with the Edmonton Separate School Board. The two jurisdictions recently met with the Edmonton MLAs and expressed some of their concerns. The Edmonton MLAs have recognized some of them. The utilization of the MLA is probably the best approach.

Agreed to:

2.1.1 — Provincial Contribution to the School Foundation Program Fund	\$480,662,000
2.1.2 — Supplementary Requisition Equalization Grants	\$13,068,000
2.1.3. to 2.1.23 — School Regulation Grants	\$34,225,000
Total 2.1 — Grants to Schools	\$527,955,000
2.2 — Grants to Private Schools	\$2,895,000
2.3 — Early Childhood Services	\$19,795,000
2.4 — Educational Opportunity Fund	\$8,220,000
2.5 — Special Assistance to School Boards	\$22,918,000
2.6 — Learning Disability Fund	\$1,904,000
Total Vote 2 — Financial Assistance to Schools	\$583,687,000

MR. CLARK: Mr. Chairman, just before we get to Vote 3. Mr. Minister, can I ask you one more question with regard to the Bonnyville situation? From the department's view or from your view, is the problem there basically a matter of overexpenditure or of new people coming into the area causing additional strains on a school system that has had financial difficulties for a number of years? Is there also a problem now of increased student enrolment?

MR. KOZIAK: Mr. Chairman, in this particular area the hon. member from the constituency, Mr. Hansen, has been working with me in connection with the future possibilities for the jurisdiction. I find it difficult to answer that question, having regard for the fact that a formal budget review was not undertaken with the division. Had the division accepted our offer to proceed with a formal budget review, I'd have been in a better position to provide that information. The fact that they have not accepted the offer puts me at a disadvantage.

MR. CLARK: Mr. Minister, is the board then in a position to meet directly with you as minister? That now appears the only avenue open.

MR. KOZIAK: Mr. Chairman, of course the board first of all has the avenue of accepting the budget review process that was suggested to it. Should a board desire a meeting with me, whether it be the Bonnyville school division or any board in this province, I'd be more than pleased to oblige.

Agreed to:

Total Vote 3 — Regular Education

Services	\$7,307,085
Total Vote 3 — Capital	\$49,450

MR. CLARK: Mr. Chairman, if I could go back to Vote 3 for one minute. Mr. Minister, I see we have a 20 per cent increase in professional/technical services. After our go-around in Vote 1, I'm sure you'll have no problem having the answer for Vote 3. What's the reason for a 19 per cent increase in professional/technical services under Vote 3? You might also explain to us a 13 per cent increase in hospitality.

MR. KOZIAK: The hon. Leader of the Opposition is asking about Code 430. The most significant factor in that increase is a result of the new thrusts in the French language program announced jointly by the Premier and me in a statement near the end of February this year. Of the \$191,000 shown in the increase, \$116,000 is represented by that.

Then we have a number of situations where in fact the forecast for 1977-78 is less than the estimate for 1977-78. It reflects the difficulties you sometimes have over a budget year. Sometimes you under-spend; sometimes you overspend. We have this in terms of examination development in 3.0.4, ECS administration in 3.0.5, and EOF administration in 3.0.6. Also in curriculum, 3.0.7, \$12,000 of the increase in that area applies there. An \$11,000 increase in 3.0.7 is a result of an 8 per cent increase allowed in paying substitute teachers, and seconded to curriculum. I think that covers it.

MR. CLARK: Mr. Minister, [inaudible] contracts on as far as the \$116,000 for French language?

MR. KOZIAK: Yes, there will be contracts in that area. [interjections] I beg your pardon.

It may be on the basis of contracts. It may be on the basis of *per diem*, because of bringing in teachers. There are a number of methods of providing for this, but this will be primarily in the curriculum development we spoke of in our statement.

There was another question.

MR. CLARK: Hospitality.

MR. KOZIAK: Hospitality in Vote 3 is shown as 12.4 per cent higher, which is an increase from \$2,210 to \$2,485.

MR. CLARK: Isn't it \$200,000?

MR. KOZIAK: I see it as an increase of \$275.

MR. CLARK: I've got \$200,000.

MR. KOZIAK: Well, perhaps the hon. member would like to share the rest with me.

MR. CLARK: I was just afraid you were going to share it all with yourself.

MR. KOZIAK: Mr. Chairman, I see the figure \$2,485.

Agreed to:

Total Vote 4 — Special Education	
Services	\$6,548,925
Total Vote 4 — Capital	\$169,770

Capital Estimates:

1.0 — Departmental Support Services	\$74,745
2.0 — Financial Assistance to Schools	—
3.0 — Regular Education Services	\$49,450
4.0 — Special Education Services	\$169,770
Total Capital Estimates	\$293,965

Department Total \$603,160,905

MR. KOZIAK: I move that the estimates of the Department of Education be reported.

[Motion carried]

DR. HORNER: Mr. Chairman, I move the committee rise, report progress, and ask leave to sit again.

[Motion carried]

MR. KOZIAK: I wonder if I could take this brief interlude to share with hon. members a brochure that was recently printed, reflecting what we're doing under the Alberta heritage learning resources project. I have copies for all the members here. I had intended to do this during my estimates, but it was so interesting it slipped my mind.

[Mr. Deputy Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of Supply has had under consideration the following resolution, reports the same, and asks leave to sit again:

Resolved that for the fiscal year ending March 31, 1979, amounts not exceeding the following sums be granted to Her Majesty for the Department of Education: \$5,617,895 for departmental support services, \$583,687,000 for financial assistance to schools, \$7,307,085 for regular education services, \$6,548,925 for special education services.

[Motion carried]

MR. FOSTER: Mr. Speaker, by way of House business tomorrow: we expect the House will sit tomorrow night, and we will continue with the estimates of the Department of Recreation, Parks and Wildlife, followed by the Department of Social Services and Community Health.

Mr. Speaker, I move we call it 5:30.

HON. MEMBERS: Agreed.

[At 5:26 p.m., pursuant to Standing Order 5, the House adjourned to Thursday at 2:30 p.m.]

