

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Friday, May 2, 1980 10:00 a.m.**

[The House met at 10 a.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

MR. HYNDMAN: Mr. Speaker, I beg leave to introduce . . .

MR. SPEAKER: I believe the hon. Member, for Spirit River-Fairview caught the Chair's eye first.

**Bill 217****The Children's Rights Act**

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill No. 217, The Children's Rights Act.

Mr. Speaker, the Bill is modelled on recommendations of the Commission on Family and Children's Law in British Columbia chaired by the Honourable Mr. Justice Thomas Berger. The Bill expresses the child's right to the basic necessities of life, education, parental support, and representation at legal proceedings.

[Leave granted; Bill 217 read a first time]

**Bill 29****The Alberta Heritage Savings Trust Fund  
Amendment Act, 1980**

MR. HYNDMAN: Mr. Speaker, I request leave to introduce a Bill, The Alberta Heritage Savings Trust Fund Amendment Act, 1980.

This Bill contains three amendments of significance. Firstly, it establishes a new energy investment division of the Heritage Savings Trust Fund which will yield a return and facilitate the development, processing, and transportation of energy resources, and assist in achieving energy self-sufficiency for Canada. Secondly, through a new commercial investment division, it will enable equity as well as debt investments to be made in selected mature Canadian and foreign companies. Thirdly, an amendment will lift the ceiling on loans to other provinces from the Canada investment division from 15 to 20 per cent of the total fund assets.

[Leave granted; Bill 29 read a first time]

**Bill Pr. 1****The la Fondation de l'Association  
canadienne-française de l'Alberta Act**

MR. COOK: Mr. Speaker, I request leave to introduce Bill Pr. 1, The la Fondation de l'Association canadienne-française de l'Alberta Act.

Essentially, Mr. Speaker, it's an Act that would provide for a heritage fund for the French-Canadian association in Alberta. They sold a large amount of land in

Edmonton's Mill Woods district and wish to put that money into a trust fund.

[Leave granted; Bill Pr. 1 read a first time]

**Bill 210****The Environmental Bill of Rights**

MR. R. CLARK: Mr. Speaker, I beg leave to introduce Bill 210, The Environmental Bill of Rights.

The Bill would give Albertans the status of public protectors of the environment, by allowing individuals to initiate legal action against polluters. Perhaps the best example of where this would apply would have been people who . . .

MR. SPEAKER: Possibly the example could be given in the course of debate

MR. R. CLARK: Mr. Speaker, I won't mention the Bow River then.

MR. SPEAKER: I didn't hear the hon. member say it.

[Leave granted; Bill 210 read a first time]

**Bill Pr. 3****The Alberta Wheat Pool  
Amendment Act, 1980**

MR. LYSONS: Mr. Speaker, I request leave to introduce Bill Pr. 3, The Alberta Wheat Pool Amendment Act, 1980. Essentially, this Bill would allow the Alberta Wheat Pool to pay out dividends from retiring or retired members; because of the limitations in their Act, they cannot do so now.

[Leave granted; Bill Pr. 3 read a first time]

**Bill Pr. 8****The Stockmen's Memorial Foundation Act**

DR. CARTER: Mr. Speaker, I beg leave to introduce Bill Pr. No. 8, The Stockmen's Memorial Foundation Act. The purpose of the Bill is to incorporate a foundation which intends to identify and honor the builders of the livestock industry within the province, and to provide the industry and the general public with historical and business information and opportunities.

[Leave granted; Bill Pr. 8 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. MOORE: Mr. Speaker, I would like to file with the Legislature Library copies of reports entitled The Park Town of Banff: Options for Local Government, and a further report for the park town of Jasper. These reports will be subject to some very thorough study and review by the residents of those two communities after presentation to them this weekend by the Member for Banff-Cochrane and the member from Jasper.

head: **INTRODUCTION OF SPECIAL GUESTS**

MRS. LeMESSURIER: Mr. Speaker, it is with a great

deal of pleasure that I introduce to you, and through you to members of the Assembly, four very distinguished guests in the Speaker's gallery. They were in my office first thing this morning leaving messages about how Camrose is celebrating its 75th Anniversary — 50 years as a town and 25 years as a city. In addition to numerous other activities, they have had a polar picnic on New Year's Day, and on Sunday, May 4, there is a founders' festival commemorating the charter day for Camrose.

Mr. Speaker, I would ask these four very active members of the community — Mayor Rudy Swanson; Mr. William Lamb, president of the Chamber of Commerce; Dr. J. L. Parsons, vice-chairman of the senior citizens' games; and Mrs. Mona Sparling, chairman of the Camrose 75th Anniversary Committee — who are seated in the gallery to please rise and receive the very warm welcome of the Assembly.

MRS. FYFE: Mr. Speaker, I'd like to introduce to you and to other members of the Assembly, on behalf of my colleague from Sherwood Park, two school groups visiting the Legislature today. The first is 33 grade 6 students from Father Kenneth Kearns school in Sherwood Park. They are accompanied by their teacher Mr. Drvaric, and are seated in the members gallery. The second group, sitting in the public gallery, is 55 grade 5 students accompanied by their teachers Miss Tully, Mr. Assaly, Mrs. East, Mrs. Marsden, Mrs. Teske, and Mrs. Stasiewicz. I'd ask both groups to rise and receive the welcome of the Assembly.

MR. PURDY: Mr. Speaker, it's my pleasure this morning to introduce to you and to members of this Assembly some 26 grade 10 students from Memorial high school in Stony Plain in the Stony Plain constituency, accompanied by their teacher Mr. Martyn. They're in the members gallery. I'd ask them to rise and receive the usual recognition of the members.

MR. CRAWFORD: Mr. Speaker, I take great pleasure in introducing a relatively small grade 6 class of 15 from the Alberta School for the Deaf, located in the Edmonton Parkallen constituency. I think all of us would be aware of the fact that this would be a special occasion for the young people from the School for the Deaf. Perhaps they have an advantage in the Chamber that the rest of us don't have in not being able to hear everything that goes on. We want to welcome them in the very fullest sense. I would like to extend to them an invitation to visit my office after the question period. I would ask them now, along with John Murphy who is interpreting for them, if they would please stand and be recognized by the House.

#### head: ORAL QUESTION PERIOD

##### Government Accounting Practices

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Solicitor General. The question flows from the Auditor General's report, with specific reference to page 42 where the Auditor General says:

It would appear that these payments were deliberately charged to the wrong program when the programs to which they should have been charged had insufficient appropriated funds available.

My question is: when did the Solicitor General first learn of this problem, and what action did he take when

he was advised of the problem by the Auditor General's office?

MR. HARLE: Mr. Speaker, I'd point out that on page 42 of the Auditor General's report it states:

The Department of the Solicitor General, upon having this situation drawn to its attention by the Audit Office, took appropriate corrective action and, subsequently, has taken steps to prevent a recurrence of this practice.

I learned about the matter about September 1, 1979.

MR. R. CLARK: Mr. Speaker, perhaps I didn't make the second portion of the question clear to the Solicitor General. What action did the Solicitor General take once the matter was drawn to his attention by the Auditor General?

MR. HARLE: There were a number of things done, Mr. Speaker. There was an extensive review of the accounts. A letter was written by the Auditor General about September 9. Following that, in order to correct the situation, a special warrant was obtained in December for \$138,870 to correct the fact that these funds had been charged to the wrong accounts.

MR. R. CLARK: Mr. Speaker, to the Solicitor General. Could the Solicitor General outline to the Assembly what changes then took place within that part of the department where the problem had developed? What changes were initiated, either by the minister or by the deputy minister, in the administrative section of the department to prevent this kind of thing happening in the future?

MR. HARLE: As I indicated, a number of things were done. Memorandums were prepared that went to all the financial officers. As I indicated, all transactions in the '78-79 period were reviewed. On September 4, 1979, a memorandum on commitments, payments, and financial report was sent to all accounting and expenditure offices. A meeting was held with all the accounting, supply, and support staff in the head office. The seriousness of the previous action was explained; instructions were given as well to cease henceforth such practices not consistent with the Acts and the regulations. The directors of all the institutions were advised of their responsibilities, and the necessary controls were brought to their attention. The deputy directors of administration met on October 16 and 17 to discuss and obtain clarification of their responsibilities and authorities. In-depth orientation and training sessions were developed and scheduled for all staff who deal with and are exposed to expenditure commitments, payments, and financial control. Comprehensive manuals with staff training instructions are being developed and will be used to guide staff in future.

MR. R. CLARK: Mr. Speaker, to the minister. I commend the minister for taking that action.

Mr. Minister, were there officials in the department who were asked to leave or were relieved of their responsibilities as a result of the Auditor General's unearthing the situation?

MR. SPEAKER: While that question may be unobjectionable, I would have to express real concern about questions dealing with this matter possibly reflecting on the integrity of individuals. If such a matter is to be brought in issue before the House, I would suggest that it

be done in some deliberate way, possibly by a notice of motion, so that the House will be prepared and the matter will be dealt with fairly. I think hon. members will agree that in the give and take of the question period, occasionally an expression or sentence may slip out which may redound to the discredit of an individual who does not have an opportunity to defend himself or herself in the Assembly.

MR. R. CLARK: Mr. Speaker, speaking to the point you raise, sir, could I ask for direction from the Speaker. The point I want to ascertain is: was action taken by the minister to have some officials of the department removed of their responsibility? I do not propose to get involved in the name situation at all, but I think it's important that members of the Assembly know whether the minister took action of that nature.

MR. SPEAKER: With great respect, I would have to agree with the hon. leader. Certainly questions relating to departmental practices and policies would be eminently proper for the question period.

MR. COOK: Mr. Speaker, further on a point of order. If the hon. Leader of the Opposition would again consult *Beauchesne* and remember the meeting of the Public Accounts Committee, he would realize that questions posed to seek information that he already knows to be a fact are not in order.

SOME HON. MEMBERS: Oh, oh.

MR. COOK: In the Public Accounts Committee the hon. member had the benefit of having the Auditor General explain to him the procedures, background, and the disciplinary action taken by the department.

MR. SPEAKER: With regard to the point of order raised by the hon. Member for Edmonton Glengarry, I would respectfully suggest that it might be imposing too heavy an obligation on the Chair to try to keep in mind what goes on in committees and to see whether the area is being covered twice in the House.

MR. COOK: Mr. Speaker, further to the point of order. That may be, but I think it's incumbent on the Leader of the Opposition to behave in a responsible fashion. [interjections]

MR. SPEAKER: With great respect to the hon. member, possibly he and I might leave that to the hon. Leader of the Opposition.

MR. R. CLARK: Mr. Speaker, speaking to the point about acting in a responsible manner. What we're attempting to ascertain is whether or not the minister acted in a responsible manner, whether he took action with regard to the officials the Auditor General has mentioned in his report. Could I now pose the question to the minister?

MR. HARLE: Mr. Speaker, in view of your caution, one that I think is very wise in this situation, I can confirm that action was taken to correct the situation. The Deputy Solicitor General and senior officials examined the records and were able to determine where the difficulty lay, as far as they could tell. As far as the present situation is concerned, the matter has been resolved.

MR. R. CLARK: Mr. Speaker, may I pose one further question to the Solicitor General? Earlier in the questioning the Solicitor General indicated that a number of changes — I would say major changes — had taken place within the administrative services division of the department to deal with this matter. Mr. Minister, my last question, and not trying to reflect at all on the answers the minister has given to the House today: if those kinds of major changes were undertaken during 1979, the year the incident was brought to the department's attention, why is there no mention at all in the department's annual report of those actions taken?

MR. HARLE: Well, Mr. Speaker, I'd have to review the report. The action was quite clear when the special warrant was obtained in December.

MR. R. CLARK: Mr. Speaker, to the minister. I'd refer the minister to page 13 of his own annual report, where there's absolutely no mention at all about what I think members in the House would have to deem a very important matter. If the minister's outline today is accurate of the events which took place, then certainly there should have been some reference in the annual report of the department to the steps being taken.

MR. HARLE: Mr. Speaker, I think the observation of the hon. member is perhaps appropriate. Whether or not an item is mentioned in the annual report is purely a matter of discretion within the department of what is prepared. But I would suggest that with the matter showing up quite clearly in the special warrants, it is clear that this matter was corrected. It appears quite fully in the Auditor's report. I'm relying on memory at this time, but the Auditor's report became public this session, when the matter was fully commented upon by the Auditor General.

MR. R. CLARK: Mr. Speaker, might I ask just one further question of the Solicitor General, in light of his most recent comment that the annual report is a matter of what was prepared for the minister. Might I point out to the minister, sir, that the annual report is signed by the minister and is the responsibility of the minister, not of the administration of the department.

MR. NOTLEY: Mr. Speaker, a supplementary question, if I may, to the hon. minister. Prior to the meeting of Public Accounts next Wednesday, when this matter no doubt will be discussed, would the minister be prepared to table in the House, so members have this information, a copy of the memorandum sent to financial officers within the department by either the minister or the deputy minister?

MR. HARLE: Mr. Speaker, I would suggest that's one item that could be raised by the usual procedure of seeking government documents in the House.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. During the course of the department's review of this particular offence — and it's probably fair to call it an offence; it shifted from one appropriation or vote of the Legislature to another — was any evidence uncovered in either the investigation or subsequent discussions with anyone in the department that this sort of thing had ever happened before? Was this an

isolated case, or was there any evidence that in fact it had happened before?

MR. HARLE: Mr. Speaker, there is no indication at all that it had happened. It seemed to be isolated to this one particular period.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Provincial Treasurer. What steps have been taken, then, by the government as a whole as a consequence of the information discovered by the Auditor General in the Department of the Solicitor General? Has there been any overall follow-up to determine whether this type of thing might have occurred in any other government departments?

MR. HYNDMAN: Mr. Speaker, we know of no other instance, to my knowledge, where this has occurred at any time in any other department of government. It was specifically stressed at the various periodic meetings that have been held ever previous months between the Controller and senior finance officials in each government department that these procedures, including the ones referred to, are not to recur. I'd point out as well that The Financial Administration Act and the rules and regulations under it, including the accounting and financial control manuals, specifically set forth the fact that this kind of procedure, using improperly appropriated funds, is not allowed in any way, shape, or form. Those documents are available, of course, to any and all government financial officers.

#### **Child Care — High Prairie**

MR. R. CLARK: Mr. Speaker, I'd like to direct the second question, a very short question, to the Attorney General and ask if he can report to the Assembly today the status of charges that have been laid with regard to the High Prairie group home.

MR. CRAWFORD: Yes, Mr. Speaker. As I indicated yesterday, the investigation has been completed. But I have learned that the information the hon. member apparently was relying upon yesterday with regard to the actual laying of charges would not be accurate. The decision as to whether or not charges will be laid in that case is under consideration and probably won't be made for a number of days.

#### **Abandoned Railroad Corridor**

MR. STROMBERG: Thank you, Mr. Speaker. On behalf of a number of constituents, I would like to raise a question to the Associate Minister of Public Lands and Wildlife. After five or six years, why has no decision been made as to the land use of the abandoned Camrose-Tofield railroad right of way? Will use of this right of way go to adjacent landholders, farmers, the counties, or recreation groups, or will this right of way be set aside for wildlife habitat?

MR. MILLER: Mr. Speaker, to the best of my knowledge, the transfer of land from the railway back to the Crown hasn't occurred yet. I believe it's in the process of being transferred. Our position as a provincial government is that it was Crown land transferred to the railway for a right of way, and is being transferred back to the Crown to be administered by the department of lands.

We propose to set up an interdepartmental committee which will look at the best use which can be made of this right of way. In areas where we have intensive farming operations, it has been suggested that this right of way could be maintained for wildlife habitat. It could be utilized for a utility corridor or for a transportation corridor. In any event we, the provincial government, would be in charge of administering what use this right of way would be put, in consultation with local groups and the municipalities.

MR. STROMBERG: A supplementary, Mr. Speaker. I understood the minister to say that the decision as to the land use would be made within your department, in consultation with counties. Will adjacent landowners and recreation groups also have input as to the use of this abandoned railroad?

MR. MILLER: Yes, Mr. Speaker, we would be in consultation with local user groups as well as the adjacent landowners, so that the best utilization of the corridor could take place.

MR. STROMBERG: One last supplementary, Mr. Speaker. When the title of this abandoned railroad was held by the CNR, they were responsible for control of noxious weeds. Can the minister assure area farmers, and the counties of Camrose and Beaver, that your department will be responsible for spraying weeds each and every year?

MR. MILLER: Mr. Speaker, once the land is transferred to the Crown and we are in charge of it, that would be one of our responsibilities.

#### **Divorce Law**

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Attorney General. It comes from a letter addressed to that hon. gentleman by the Alberta Status of Women Action Committee on March 31, with respect to their concern over the possible transfer of jurisdiction from federal to provincial, with respect to divorce in Canada. Is the minister able to inform the House whether any discussions have taken place, either informally or formally, on the question of transferring jurisdiction with regard to divorce law from the federal to the provincial level?

MR. CRAWFORD: Mr. Speaker, the subject the hon. member raises is one that from time to time engages the attention of the attorneys general in discussions with the federal Minister of Justice. I might say that since I've assumed the responsibilities of this office, we haven't had that many productive discussions with the federal authorities, for the reason that they seem to be changing political parties in office in Ottawa with a rate of speed that would be frowned upon in a province like Alberta. [laughter]

SOME HON. MEMBERS: Agreed.

DR. BUCK: Not for the next five years.

MR. NOTLEY: Maybe there's a happy medium.

MR. CRAWFORD: The result of this is that we have not yet had a serious discussion of the matter, although I'm aware of the views that exist on the issue.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. Has the government of Alberta any position with respect to the transfer of divorce law from federal to provincial jurisdiction?

MR. CRAWFORD: Mr. Speaker, throughout Canadian history, because of the provisions of the British North America Act, that particular field has been looked upon as an exclusive preserve of the federal government. My own views are that that is a suitable arrangement. However, whatever discussions take place might raise matters that I had not addressed my mind to.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Attorney General. Have any studies been commissioned by the attorneys general in Canada and the federal Minister of Justice on this matter? I raise the question because I would like to know where the pressure for the change is coming from. It seems to me that nothing could be more chaotic than having 10 separate jurisdictions over divorce in Canada. Have any studies been commissioned on this matter?

MR. CRAWFORD: Mr. Speaker, as to pressures: perhaps from the agencies that are most interested in the operation of provincial family courts. They perceive some advantage in having family law matters in one area. I don't perceive that particular advantage, and at this point have been unable to conclude that that would be the best arrangement. As I believe I've indicated — if not clearly, I can do so — my own views until the present time have always been that it's a federal matter and belongs there.

MR. NOTLEY: Mr. Speaker, just one final supplementary question to the hon. Attorney General. Will the Attorney General give the House the assurance that prior to future meetings where this matter may be discussed, there will be full consultation with Alberta interest groups such as the Status of Women Action Committee or the Law Society of Alberta, before Alberta makes any formal representation or takes any formal position on the matter?

MR. CRAWFORD: Certainly, Mr. Speaker. I think such consultations frequently occur and would anticipate they would when this issue becomes more current again.

MR. ZAOZIRNY: Mr. Speaker, if I might ask the hon. Attorney General a supplementary. Quite apart from the question of transfer of jurisdiction, can the Attorney General advise whether this government has made any representations whatsoever to the federal government with respect to a change of the existing law whereby couples could obtain a divorce on the basis of a strict marital breakdown rather than being compelled, as at present, to go to court and give evidence in public of mental or physical cruelty?

MR. CRAWFORD: Mr. Speaker, one thing about being Attorney General is that it's a little while since I've practised law; that is directly in the area the hon. member is asking me about, in any event. He asks about representations to the federal government. Without the clarification of his question, I would have to admit that I believed that

marital breakdown has, for some years, been an adequate ground for divorce. In his question the hon. member is making some distinctions which perhaps could be made in the courtroom, but which I can't help him with here.

#### Michener Centre

DR. PAPROSKI: Thank you, Mr. Speaker. A question to the Minister of Social Services and Community Health. I wonder if the minister is aware of the incident which occurred in Michener Centre on November 22, 1979, at which time an adult resident sustained some serious injuries. I wonder if the minister would indicate to the House what he is doing regarding that matter.

MR. BOGLE: Mr. Speaker, I assume the hon. member is referring to the recent reports on a young man at Michener Centre, Mark L'Heureux, and the events of November 22, 1979. Yesterday I had an opportunity to look at the department's file on the matter. I feel that, in this particular situation, as we do in a number of circumstances — the Alberta Health Facilities Review Committee has the authority under its present mandate to look at several facilities within the Department of Social Services and Community Health. I think it appropriate that that committee investigate the events which took place on November 22, 1979, and report to me. I've formally requested the committee to do that.

MR. SPEAKER: The hon. Member for Clover Bar, followed ...

MR. R. CLARK: Mr. Speaker, might I direct a supplementary question to the minister. I apologize for the interruption.

Mr. Minister, is the minister in a position today to give a commitment to the House that once this review has been done by the committee he referred to, he is prepared to table the report? I raise the question because one other route the minister might have chosen to go would have been an independent look at this particular case. Had there been an independent look, obviously the findings would have been public. I want an assurance from the minister that he will make public the report he receives from the committee.

MR. BOGLE: Mr. Speaker, the Alberta Health Facilities Review Committee is an independent body. In my letter to the chairman of the committee, I have made very clear that it is my intention to make their report available to the Ombudsman. I would hesitate to give a commitment that I would make their entire report public, pending information of a private nature which may be contained therein. It certainly would be the intention of the portion of the committee that will carry out the investigation to go to Michener Centre, to question certain staff members involved in that particular unit, to speak with members of the young adult's family, and to gather whatever information they feel is pertinent to the matter. Of course, as I've indicated, that information in the report will be made available to the Ombudsman for his consideration.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the minister. Mr. Minister, I can appreciate the need for some of the personal information that may be included in the report — specific details, names, and so on — to be kept confidential. That's only reasonable.

But could we then get an undertaking from the minister that the recommendations will be made public?

MR. BOGLE: Yes, Mr. Speaker.

#### **Prisoners' Work Programs**

DR. BUCK: Mr. Speaker, my question is to the hon. Solicitor General. It has to do with the phasing out of work programs at our correctional institutions. Can the minister indicate if it is an ongoing program in our correctional institutions to phase out work programs? Just for the minister's information, we've had the phasing out of dairy operations, farming operations, licence plant operations, and so on in Fort Saskatchewan. Can the minister indicate if this is an ongoing process?

MR. HARLE: No, Mr. Speaker, it certainly isn't. In fact, there are more and more work programs being developed for inmates in the institutions. I think the record would show that there's more time being spent on work in the correctional institutions now, and a heavy emphasis on development of work for inmates.

DR. BUCK: Mr. Speaker, in fairness to the minister and to myself, I've indicated which ones have been phased out. Can the minister indicate which ones are being phased in?

MR. HARLE: Mr. Speaker, perhaps if . . .

DR. BUCK: And it won't take long.

MR. HARLE: Well, it will, Mr. Speaker, because I can supply the member with a fairly detailed indication of the amount of time spent by inmates, not only doing work in the institutions but work under supervision outside the institutions. It includes a lot of work that was done, for example, on the restoration of Fort Victoria, and the restoration of several historic sites around the community. In addition, of course, there's work done by the inmates in keeping and maintaining the institution itself. The amount of work is, I think, quite impressive, Mr. Speaker.

DR. BUCK: Mr. Speaker, to the hon. minister. I believe the minister has indicated by his reply that that is one activity. I would like to know what programs the minister has in place.

MR. HARLE: Mr. Speaker, the programs vary depending on the security of the inmate. For example, those who can be permitted outside the institution do various types of work and community work, as well as seek employment. Those inside the institution who can function in a way to provide services to the rest of the institution do so, including work in the kitchens, the laundry, and various types of maintenance work within the institution.

DR. BUCK: Mr. Speaker, to the hon. minister. I'm glad he mentioned kitchens, because my next question is: can the minister indicate why they have phased out the kitchen and gone to a catering service?

MR. HARLE: Mr. Speaker, it hasn't been phased out. The contract is with VS Services to provide services to the institution, but VS Services also uses the assistance of inmates in the kitchen.

DR. BUCK: Mr. Speaker, my last question to the minister. Can the minister indicate if it's just the Fort Saskatchewan Correctional Institution that's having food services catered, or is it going to apply to all other correctional institutions in the province?

MR. HARLE: It is certainly being expanded. The contract for food services is more extensive than just Fort Saskatchewan.

DR. BUCK: Mr. Speaker, can the minister indicate which institutions will be phased out and have catering services provided?

MR. HARLE: Mr. Speaker, I could get that information and supply it to the member.

MR. SPEAKER: The hon. Member for Camrose, followed by the hon. Member for Spirit River-Fairview with a final supplementary.

MR. STROMBERG: Thank you, Mr. Speaker. Would the minister consider reviewing the program of inmates from Fort Saskatchewan who are currently employed at Miquelon Lake Provincial Park? The reason I raise this question is that I've had representation from local farmers that they have lost employment. Normally they were the ones who were hired in the winter to cut this firewood, and now they have been replaced by, I could say, forced labor.

MR. HARLE: Mr. Speaker, this is one of the problems that institutions of correction face. We are making every effort to make sure it doesn't take away employment, wherever possible. But I think the larger society would also be reconciled to the fact that the general objective of inmates working is a valid one, and there would not be too serious an objection to inmates doing work, notwithstanding the fact that there are times when it may take work away from other people.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Solicitor General. Was there any cost/benefit review or study taken by the government before the decision was made to contract out the kitchen services to VS Services? I believe that's true of Fort Saskatchewan, and I know it's true in the Remand Centre.

As well, Mr. Speaker, to the minister: in those institutions where the kitchen facilities are operated by the institution very satisfactorily — Peace River is an example — will the minister assure the House that we won't find that being contracted out, when in actual fact the institution seems to be quite happy with the present situation?

MR. HARLE: No, Mr. Speaker, I couldn't give that assurance. I think our experience has been that we can get better service by contracting it out. There is an industry out there that can provide these services. They can do it more efficiently. There are certain advantages to organizations that specialize . . .

DR. BUCK: Now you're going to tell us there's a shortage of people in there to help out. Permanent ones.

MR. HARLE: Well, Mr. Speaker, there are certain advantages to having services supplied by a contractor, because the contractor has access to the trained personnel needed for certain types of operations within the service.

However, one of the points made when a contract is entered into is that the contractor supplying the service must make use of inmates in the kitchen. That is present situation. Inmates are doing work in the kitchen as they did before. As far as I can determine, contracting out works to the advantage not only of the government but also of the private sector.

MR. NOTLEY: Mr. Speaker, supplementary question to the hon. minister. Will the minister table in the House — as did the former Minister of Social Services and Community Health with respect to the contracting of the food services at Michener Centre to VS Services — a cost/benefit study which presumably should have preceded any government decision to move toward large-scale contracting out to Versafood?

MR. HARLE: Mr. Speaker, I could see whether in this particular case there was any analysis along that line. However, as I've indicated, I think the experience has been gained that, from a cost position, there is an advantage to contracting certain types of services. We're doing that, Mr. Speaker, not only in the Fort Saskatchewan Correctional Institution but also with the new facility that will be opened this afternoon in St. Paul. We're making use of, and have contracted out, services to the community where that seems appropriate.

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

MR. NOTLEY: Mr. Speaker, a supplementary. The minister said: I'll see if I can get this information. Is the minister saying to the Assembly that he as a minister is not aware whether or not there is a cost/benefit study on the practicality and the feasibility of contracting out the kitchen services? It's quite a different thing to contract them out in the correctional services compared to other services, and . . .

MR. SPEAKER: The hon. member's question has been put.

MR. HARLE: Mr. Speaker, as I said, I would attempt to find out whether any studies were done. I am sure there was work done within the department deciding what might be the best mechanism. I'm sure the decision was taken on the basis of the best information available.

DR. BUCK: The more you talk, the deeper you get.

#### **Handicapped Institutions**

MR. BATIUK: Mr. Speaker, I'd like to direct my question to the Minister of Social Services and Community Health. Would the minister advise the Assembly whether he had any consultations with interested groups before making his decision on the replacement of the Baker Centre in Calgary?

MR. BOGLE: Mr. Speaker, I indicated yesterday that there had been some consultation with, I believe, five groups. In anticipation of a possible question on that today, I did some research last night on the matter.

I met on February 7, 1980, with Judge Brian Stevenson, chairman of the Regional Advisory Committee, Resources for Handicapped in Calgary. Although that's not a government-appointed committee, it has been func-

tioning in Calgary for some time, and department officials have been working with the committee, as have some MLAs from Calgary. On March 6 I met with the Lethbridge Association for the Mentally Retarded, and again discussed the proposals at some length; on April 18 with the Com-Serv Association of Southern Alberta; and on April 24 with the president and the two vice-presidents of the Alberta Association for the Mentally Retarded.

At the four meetings I've indicated with representatives from the four groups — plus the Foothills Association for the Mentally Retarded, who were involved in the meeting with Com-Serv on April 18 — we discussed the government's plans with regard to de-institutionalizing, decentralizing the facilities, and the overall plans for Baker Centre.

MR. MUSGREAVE: Supplementary, Mr. Speaker. Could the hon. minister advise if any recommendations were put forward by these groups he consulted with?

MR. BOGLE: A number of recommendations were put forward, Mr. Speaker. I tried to indicate in the Assembly yesterday that there certainly was not unanimity on the way we were moving. On the other hand, I would like to indicate that two very positive recommendations came forward, and are in fact reflected within the recommendations and the decisions which have been made by government.

The first was a recommendation by Judge Stevenson and a delegate from his advisory committee that we not build free-standing institutions, that in the city of Calgary we not build a 60-bed facility free-standing. Therefore our plans were changed to incorporate that recommendation.

During the meeting of March 6 in Lethbridge with the Lethbridge Association for the Mentally Retarded, a recommendation was put forward by one of the parents that some additional space should be provided in the facilities for parent relief, for parents who care for their medically dependent or mentally retarded children at home and require some time off — whether it's an extended holiday, a weekend, or what have you. I was brought up to date on some of the concerns and pressures on parents today and the problems with lack of adequate supervision — so that they are given that kind of relief. So that proposal was also built into the plan and is in our proposal, not only for the three facilities I've indicated but also for the group homes throughout southern Alberta.

#### **Hazardous Wastes — Transport**

DR. CARTER: Mr. Speaker, my question is to the Minister of Environment. I understand from a report last night at midnight that the Canada-U.S. border was closed to shipments of waste for disposal from British Columbia en route to Oregon. Has the minister been informed that shipments of hazardous wastes from Alberta have also been banned?

MR. COOKSON: Mr. Speaker, the Member for Calgary Millican raises an important concern again with regard to the problems of industrial wastes and how we're going to cope with them. In answer to his specific question, as yet I haven't had in my office any direction with regard to the problem of transportation across the border.

DR. CARTER: A supplementary question, Mr. Speaker. What alternative arrangements are now in place within the province, then?

MR. COOKSON: Well, at the present time, Mr. Speaker, we're attempting to cope with the problem of industrial wastes in several ways. One is simply a temporary storage facility, either on-site or in a specific part of the province. Another method being used, which is approved by the energy resources control board, is deep-well disposal. That method of disposal is licensed. The only other method we use is to monitor some of our sanitary landfills across the province to attempt to regulate and control what is being placed within them. That, at best, is a sporadic operation. We hope we can improve on that by means of some type of legislation.

#### Day Care

MR. COOK: Mr. Speaker, I wonder if I might direct a question to the Minister of Social Services and Community Health. The question follows from his ministerial statement Tuesday on day care policy. Can the minister indicate the time line for changes in regulation that he contemplates, both in the short-term streamlining of the regulations and, secondly, in the two-year process that he indicated would take place for greater structural changes?

MR. BOGLE: Mr. Speaker, in my ministerial statement several days ago, I indicated under item four that:

As of August 1, 1980, the regulations will be reduced in numbers and simplified.

Therefore the time line for those changes is very short. I went on to indicate under item five that:

Between August 1, 1980, and August 1, 1982, meetings would be held with representatives from the day care operators from across the province to examine ways of improving child/staff ratios and to discuss the implementation of the day care registry.

Mr. Speaker, in the six weeks following August 1, 1980, when the major changes will take place, it is my intention to call together or invite representatives from day care centres across the province to put together an advisory committee to the minister of possibly five members, ensuring that adequate invitations are extended to both privately and publicly operated day care centres. That nucleus of representatives from across the province would assist me so that I in turn can advise government caucus on improvements which may be made to the staff/child ratios and on implementation of the registry itself. Those discussions might move along very quickly, and an implementation or improvements could be made quite early in that two-year period.

What I was attempting to do in the statement, Mr. Speaker, was to indicate that over the two years it is certainly our intention to move in those two very critical areas.

MR. COOK: Supplementary question, Mr. Speaker. I wonder if the minister could indicate what composition he contemplates for that five-member committee. The reason I ask is: there are several distinct groups out in the community that have differing views on the philosophy and structure of day care, and the composition of that committee will reflect in large measure the results that come from the committee. Can the minister indicate what sorts of people will be on it? Will it simply be day care operators, or will there be other resource people from the community? Would he ask them to be active in the community receiving submissions, and will there be a report issued?

MR. BOGLE: Mr. Speaker, I intend to put together an informal advisory committee to the minister's office. The committee would be made up of day care operators from the private and public sectors. It would not be my intention to call upon staff members working for municipalities, or others, but certainly the operators, some of whom will be themselves parents with children in day care centres. To bring together that kind of expertise and resource is, from my point of view, the best way to bring together the respective points of view. We'll sit down and work on the matters and come up with some long-term improvements to the staff/child ratio and the implementation of a day care registry.

One of the critical points with regard to the registry, Mr. Speaker, is that if you're trying to operate a day care centre in Lac La Biche or in Milk River, you're 150 to 200 miles away from a community college where there's currently a child care service program in operation. If we don't find some ways to ensure that the program has some flexibility to allow for in-service training or an apprenticeship program, if you like, so that communities outside the two metropolitan centres in particular are not penalized, and inadvertently we set in motion a set of circumstances which would not allow a day care centre to evolve within the community . . . I think that by sitting down with representatives of those groups from across the province, Mr. Speaker, we can address those questions and find ways of improving the situation for children in our day care centres.

MR. COOK: One last supplementary question, Mr. Speaker. Alberta is quite rapidly becoming very diverse. Edmonton has a very different social environment from other parts of the community. Is it the view of the minister that the regulations will set a minimum level, or will they be flexible enough to reflect the social diversity of communities in contrast — for example, Edmonton — which have a few more social problems and require a little more attention and level of care?

MR. BOGLE: I think it's important to recognize, Mr. Speaker, that the provincial standards must be applicable province-wide. We cannot have a different set of standards for the city of Edmonton than we do for the town of Peace River, as an example. However, if a municipality wishes to enrich its day care centres, and the city of Edmonton is in a position to do that now, to redirect the approximately \$0.25 million savings, recognizing the cost of their administration and other such things, the money can be redirected. The city of Calgary has in excess of \$800,000.

So if it's the view of the social services division within the city or of aldermen that day care centres should be developed in a particular part of the city to meet the special kind of concerns that the hon. member has pointed out, they're certainly able to do that. The redirection of those savings of dollars is the way the cities might do that.

MRS. EMBURY: Mr. Speaker, a supplementary . . .

MR. SPEAKER: We've run considerably over the question period. Perhaps we could come back to this topic on Monday.

If the Assembly agrees, I believe the hon. Solicitor General would like to supplement some information previously requested.



HON. MEMBERS: Agreed.

**Prisoners Work Programs**  
(continued)

MR. HARLE: Mr. Speaker, I'd like to supplement the response I gave on the subject of inmate work programs. The annual report of the Department of the Solicitor General for 1978-79 shows that some 1,238,338 man-hours were spent on institutional work assignments and some 158,838 man-hours on community work assignments.

**Government Accounting Practices**  
(continued)

MR. HARLE: Further, Mr. Speaker, the annual report for that year, which covers the area involved in the Auditor's report, was submitted to me by the deputy minister bearing the date October 15, 1979. At that time, the full problem was not evident. While it had been discovered by the Auditor General, on page 13 of the annual report it states that the 1979 figures are subject to audit by the Auditor General.

MR. R. CLARK: Aren't they every year?

**ORDERS OF THE DAY**

head: **GOVERNMENT MOTIONS**  
(Committee of Supply)

[Mr. Appleby in the Chair]

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

**Department of Government Services**

MR. CHAIRMAN: We have for consideration first this morning the Department of Government Services. Does the hon. minister have any opening comments?

MR. McCRAE: Yes, Mr. Chairman, I'd like to make some opening comments. As soon as everyone got into their places, I thought I would go ahead.

Mr. Chairman, I would like to make a few remarks on the department, as it has been constituted since 1975. As a service department to other government departments, I don't think the breadth and scope of the mandate of the department is fully recognized. Perhaps that is well, because being a non-program department without things to broadcast, good news, or whatever, probably we're not expected to be in the news too often, unless we're into some difficulties. Probably we don't want to be in the press too often. But I would like to give you some idea of the scope of the departmental responsibility.

The department came into being in 1975 under the ministerial responsibility of my travelling colleague in the next seat, the Minister of State for Economic Development — International Trade. Of course, he had the responsibilities for the four-year term. I've said that I think the breadth of the responsibilities is a really big management challenge. I think the challenge has been met very well by the management, the deputy, and the assistant deputies, right down to the 2,000, 3,000, or 4,000

workers we have.

I think an indication of the scope of the responsibility is the complexity of, say, the computer system, right down to the management of this particular building and the grounds — the little things like changing the clock to make sure it is on time and working effectively, as it was not yesterday. I think all the staff, right down to the people who manage this building and the grounds, to the field offices, and right up through the department are doing a tremendous job; I've been proud to work with them.

When the Premier asked me a year back to assume this responsibility, I, as I think many members of the Assembly, was not quite sure what the Department of Government Services was. I had to ask him twice to review it for me. But having had the explanation and the 14 months with them, I'm really glad to have had the experience. I think it's a tremendously exciting and demanding department.

Mr. Speaker, it is a service department to other departments. With the buoyant economy and the influx of people we have into Alberta, program departments and programs are multiplying in response to people demand. With that, of course, the Department of Government Services must go with the other departments. We have six votes. The first vote is for Departmental Services. The planning and advice that comes from the operations division to the other several divisions of the department are tremendously vital in assuring the efficient, cost-effective furnishing of the services. I think that was exemplified in the discussions here this morning on the second area in the Auditor General's report.

One of the sectors in Vote No. 1 is a modest 2.7 per cent increase in the implementation of the federal metrication program. As you are aware, we are charged with implementing the wonderful world of metrication in response to the agreed on national program.

Mr. Chairman, Vote No. 2, covers building operations and maintenance: We have responsibility for 169,000 additional square metres in this estimate year; that is, 1,819,000 square feet, bringing to a total of 2,479,000 square metres or 26,690,000 square feet. I didn't realize until I began mulling those figures over that when you're talking about metric, not to do a conversion but to think metric. I realized then the significance of that statement. I asked the deputy minister what 169,000 additional square metres really meant, and he told me to think metric. I did. But then I thought of the 1,819,000 square feet, and I realized that thinking in millions of square feet meant no more to me than thinking in square metres. So to anyone concerned about metrication, whether it's good or bad, if you have to work with it, I suggest you think in terms of metric and not in terms of the other system.

Mr. Chairman, Government Services operates buildings in almost all our constituencies. I plan, and have over the past year attempted to visit all the various buildings and their operations. I'm impressed with the communication, the dialogue that goes on between the building management people, the operating personnel, and the MLAs. One thing we have instituted in that area is an energy conservation program, initiated in 1976. It has been tremendously cost effective. I think the overall increase in the first couple of years was something like 16 per cent. There are continuing improvements. There is a computerized mechanical electric system to assure the most efficient operation of the major buildings, such as the Terrace Building, NAIT, SAIT, and otherwise.

Vote No. 3, Mr. Chairman, is the transportation vote.

That deals with vehicles, aircraft, and whatever. The aircraft are used principally for personnel support, air ambulance, photography, game surveys, firefighting, and whatever. Members should know that this year we are acquiring another King Air, a new King Air, to assist in personnel movement, at a cost of \$1.75 million. Another important area of the transportation vote is the courier service. We're adding seven new centres to that important service this year.

Vote No. 4, Mr. Chairman, deals with supply. We expect a \$10 million increase in purchasing this year, up to \$200 million. Supplies and materials purchased ranges from minor things such as pins — even the 75th Anniversary pins — to items such as aircraft, expensive computers, and, yes indeed, gold bullion. We also purchase supplies for all the institutions of government, including some of the mental institutions and the Solicitor General's institutions.

Mr. Chairman, one thing we have addressed ourselves to in the purchasing area is that in the buoyant, opportunistic economy of Alberta we're seeing literally dozens of new incorporations each week; that is, new companies that are prepared and eager to bid on government and other contracts. One thing we are doing to assure, as best we can, that each company has the opportunity to participate in our government tenders is to computerize lists of companies working in a particular field, so that you don't manually have to go out each time you get a new request for a supply; you can use the computer system to find out who should be invited to tender. I think that will be a tremendous service to our competing companies in Alberta. As you know, Mr. Chairman, we don't have a preferential policy for purchasing in Alberta, but where appropriate, all things being equal, we try to ensure that the local tenderer is the successful bidder.

Another thing we do in the more technical areas is to try to assure that an unsuccessful tenderer, who may not have the sophistication to bid on a highly technical area — to have our people meet with the unsuccessful, smaller bidders and tell them where they could perhaps improve or better manage their tender, so that they have a better opportunity to compete successfully on a bid. We do that principally in the computer area where there is a growth of new companies; small to begin with, but growing up and to some degree looking towards government contracts to give them the sophistication and base to expand further their opportunities.

Vote No. 5, Mr. Chairman, deals with public affairs. You'd be aware that in the various departments we have a Public Affairs Officer, sometimes two. I think they are discharging their responsibility to communicate government programs to the people, having regard to the scope and size of those programs. I think they're doing it in a very effective way, without the concern that has been expressed in other jurisdictions that they become a propaganda machine. In Alberta they have not, and we will assure that they do not. But it is important that there be good communication so the citizens know what government programs are.

Another part of Vote No. 5 is the RITE system. You'd be aware that we have a system whereby in 34 different centres the public can phone the government, non-charge, through the RITE system. Due to growth in Alberta and high demand, through a policy we announced last fall we have been attempting to expand a long-distance capacity so that all citizens and all institutions could phone into government at no cost to themselves. We had brought forward a program on that last year. We had hoped to

have it implemented by this April; unfortunately, it required Public Utilities Board approval, and that has not been forthcoming. It was based on a 35 per cent discount and the Public Utilities Board found, or expressed the viewpoint, that that would be a subsidy by the rest of the people of Alberta, the cities and so on, to people wanting to call the provincial government, and therefore rejected our proposal. We are still interested in expanding the system so that all Albertans may phone the provincial government or entities of the government non-charge. Using a different system than we had intended would appear to be much more costly. However, we are working on it and in due course expect to be back to caucus, to Executive Council and, hopefully, back to this room, with an expanded proposal.

The sixth vote, Mr. Chairman, is in the computing systems area. Really, I think that is the key to the whole of government. They are housed down in the Terrace Building. There are several hundred of them, and several million dollars worth of complex machines that really do all the complex and some of the non-complex things for government; such as issuing licences, sending out cheques, not only to MLAs but to other recipients, and generally keeping the day to day service of the government operating in an efficient fashion.

As have most other areas of government and the private sector, we have had problems recruiting the people we need to keep the programs running efficiently without undue strain on the members and, in fact, have had to go to the United Kingdom for some of our people. Some of our recruiting people having just come back from the United Kingdom and have been able to hire there the technical people we could not hire here in Canada because of other demands for people. We have found a shortage of trained computer people in the province of Alberta, and with the expectation of tremendous growth in that area, the high future demand for trained personnel, have made representations to the Minister of Advanced Education and Manpower, as have other members of caucus. He has agreed to expand substantially the training programs at SAIT, and I believe NAIT, to try to accommodate future demand in that area.

One thing Government Services has been doing very effectively is using the private sector, contracting out — privatization is another word for that which I don't particularly like — contracting out to the private sector a balance of things that are being done or may be done by government. We've been especially intent on doing this in the computer area, the so-called software area, which is program design, and have for instance extended that practice from \$400,000 in the '76-77 year to \$5.5 million projected for the 1980-81 year. That is again reflected by the growth in the number of companies in that area, which is a highly technical, high-income area. I believe there were five firms in that area in 1976. In 1980 I believe there are 47 in Edmonton — perhaps it's the whole of Alberta.

One of the problems we have is that as we train people or people become efficient in our area, the next thing we find is that they are starting up their own computing system and bidding on our contracts. I suppose that is to be applauded. Certainly it happens in the private sector as well. But it is or can be a concern in terms of trying to keep a balance between what you do in-house and what you do through the private sector.

Mr. Speaker, I thought I should take a moment or two to give you that background on the department — the width, the breadth, and the complexity of its responsibili-

ties — and would be happy to respond to specific questions on any of the votes.

MR. CHAIRMAN: Could the hon. Minister of Education have leave of the House to introduce visitors?

HON. MEMBERS: Agreed.

#### head: **INTRODUCTION OF VISITORS**

MR. KING: Thank you very much, Mr. Chairman. Because of the particular reason that has brought my guests to the Legislature this morning, in addition I would like to take a moment to introduce that activity, with the consent of my colleagues

HON. MEMBERS: Agreed.

MR. KING: This is the last day of Education Week for 1980. The theme of Education Week this year was: 75 years of knowing and growing. I was very pleased that throughout the province there was a resurgence in Education Week activities that were meant to foster an understanding of what's happening in the educational system, participation in educational activities, and enthusiasm for education.

The Education Week activities were organized by a committee that consisted of representatives of Alberta Education, the Alberta School Trustees' Association, the Alberta Teachers' Association, the Alberta Federation of Home & School Associations, the Edmonton Public School Board, the Edmonton Separate School Board, the Calgary board of education, as well as ACCESS communications. I would like to go on record as expressing my thanks to each of these organizations for their support of Education Week activities, and particularly I want to thank their representatives who were on the Education Week committee.

One member of the committee was supposed to have accompanied our guests this morning, but yesterday she did something which in the long-term will be more important for education. She gave birth to a son. So Dawn Williams, who was to have been in the Assembly this morning, is not with my guests.

There have been many activities during Education Week, including concerts and open houses in the schools, historic site markers established, resource volunteer programs, and particularly a province-wide crafts competition. Participation was good throughout the province, although I might say the four metropolitan boards could be a little more active in their support of the program next year. Participation was particularly good from the non-metropolitan areas. That will be reflected in just a moment.

We have with us in the gallery this morning winners of that province-wide crafts competition, one from each grade from a variety of communities around the province. I had the opportunity to see their award-winning entries this morning at breakfast, and they're to be commended. The entries were creative and competent and were expressed in a variety of artistic media.

I would like to introduce to you the students from each grade who won in the province-wide crafts competition for this Education Week. When I have introduced all of them, I would ask them if they and their guests would rise to receive the welcome of the Assembly.

First, the grade 1 winner was Dior Ankerstein from

Aspen Heights elementary school in Red Deer; the grade 2 winner, Kristi Lofthaug from Two Hills elementary school in Two Hills; the grade 3 winner, Kevin Moroz from Two Hills elementary school; the grade 4 winner, Randolph Olynky from Two Hills elementary school; the grade 5 winner, Alan Karl from Foremost school in Foremost; the grade 6 winner, Tommy Seniuk from Peter Savarich elementary school in Vegreville. And between Two Hills and Vegreville, we now understand the question yesterday afternoon from the hon. member Mr. Batiuk. The grade 7 winner was Leanne Stang from St. Thomas Aquinas school in Provost; the grade 8 winner, Cliff Firmrite from Hamilton junior high school in Lethbridge; the grade 9 winner, Shauna Rudyk from New Myrnam school in Myrnam; the grade 10 winner, Cecile Nanemahoo from Mistassiny school in Desmarais; the grade 11 winner, Debbie Cole from Paul Kane high school in St. Albert; and the grade 12 winner, Dawn Benedict from Trochu Valley-Pontmain school in Trochu.

I would ask those students, their teachers, and other guests to rise and receive the welcome of the Assembly.

#### head: **GOVERNMENT MOTIONS** (Committee of Supply)

#### **Department of Government Services** (continued)

DR. BUCK: Mr. Chairman, there are several points in the minister's estimates I'd like to touch on. The thing that I think is of the most urgent nature is the medallion program. I say that not to belittle the minister or the government but to raise a very genuine concern, a concern that's been expressed to me by senior citizens, members of the commission, and the most famous Tory writer of them all, the former minister Mr. Roy Farran, who considers that we should look at a third category of medallion, for people who have been in this province nearly 75 years but are going to receive the recognition of a scroll.

[Mr. Purdy in the Chair]

I would like to say to the minister that it doesn't appear that it's too late to strike a third medal. Because the minister and, I'm sure, members of the Assembly are aware of the practical ramifications of what has happened. A person can be born in this province, live in this province all their life, be 74 and a half years of age, and get a scroll; whereas a person who is over 75 years of age and has lived three years in this province gets the silver medallion. I would just like to quote the former hon. minister, that famous Tory writer Mr. Farran:

My suggestion is that a third medal be awarded to any who have lived here for 50 years or whose parents settled in Alberta before 1905. And the best design would be a colonist railway car.

Well, I don't know about that. But he's saying that a third medal should be struck.

MR. DEPUTY CHAIRMAN: I hesitate to interrupt the hon. Member for Clover Bar, but the estimates of the department of Culture were discussed in this House last week. The Minister of Government Services, who is responsible for the medallion program, was in the House at that time. Therefore, I think the Member for Clover Bar

should have discussed the medallion program through the estimates of the department of Culture, not through this estimate, because there's nothing in this program to do that.

DR. BUCK: I accept that, Mr. Chairman. I guess I've made my representation, and the minister can take that back to his caucus.

Mr. Chairman, I would like to know if the Legislature Grounds project is on schedule. Is the project proceeding within budgetary guidelines? How much is the project going to cost for this year's work — how far are we going to proceed? What will the total project cost be in 1980 dollars? We always seem to have this game played: 1976 dollars, '79 dollars, or 1980 dollars. I would like to know what the final project cost will be in 1980 dollars.

I'd also like to know how many more times we're going to renovate the Natural Resources Building, when that building is going to be finished, and what the cost will be.

I will proceed with the other areas on a vote by vote basis.

MR. TOPOLNISKY: Mr. Chairman, my question to the Minister of Government Services is on metric conversion. Some counties, some farm groups, and small business are not in favor of the metric system. The message is: stop metric now. They're asking for the abandonment of the metric system and a reversion to the original imperial system. The metric system is a very costly exercise that confuses many Canadians, and it is doubtful as to any advantages to be gained. My question to the minister is: what is the status or the progress of metrication in Alberta?

MR. BRADLEY: Mr. Chairman, I'd like to compliment the Minister of Government Services on the policy of the government with regard to contracting out of services. I think that is a right direction to go, and I'd like to encourage him to continue to do that in the future and look for opportunities in other areas where government services could be contracted out to the private sector.

I'd like to ask a number of questions with regard to the purchasing policy of the government, and perhaps the minister could respond later in his estimates this morning. I've had some concerns brought to my attention about the practices with regard to purchasing — that it's centralized in the major centres. Has the minister under consideration a change in policy to look at regionalization of such purchasing practices and at opportunities in which local suppliers may be able to participate in the sale of supplies to the government?

In another area, the minister mentioned in his remarks about a local preference to local contractors. I wonder if he might elaborate on that particular local preference as to how it's determined, and what would be a reasonable percentage above the low tender. Is this a common practice? Perhaps he may be able to give us an example of this local preference to local contractors. Is this local preference on all publicly tendered jobs, or is it on the invitational tenders?

MR. PENGELLY: Mr. Chairman, what is the cost of the RITE system as far as phone calls from Albertans to the government?

MR. McCRAE: Mr. Chairman, could I just take a very brief moment to respond to the Member for Clover Bar on the medallion program. That really should have been

dealt with in the Culture estimates, and was to some degree last week, or it can be dealt with again in question period. In quoting our good friend the former Solicitor General, I just caution you to think of the tremendous administration problems in trying to determine who was here 50 years. If you start talking about birthdays, fine; there's a birth certificate or some other evidence of when the great event happened. But if you're talking about a thing like who came here X number of years ago, there's just no satisfactory evidence. I also think you should have regard to the numbers of people in the senior citizen category. I'd be quite happy to go into that with the hon. member on another occasion, either inside or outside the House.

Your questions are really quite easy. On the Legislature Grounds, I'm sure that is a matter the hon. Minister of Housing and Public Works would be happy to respond to when his estimates come up, since he has responsibility for it.

Going back to the medallion program, I was really pleased to get reports last week that the hon. Member for Clover Bar was out in his constituency really getting mixed up in the fun and enthusiasm of the 75th, handing out pins by the score, and engendering all that good 75th Anniversary spirit that is so important to the occasion.

AN HON. MEMBER: Good going, Walt.

MR. McCRAE: Now, to the Member for Redwater-Andrew and his representation on the metric system. I should remind the hon. member that, although there may be some considerable sympathy for that viewpoint throughout Alberta — and we have had a lot of letters and a lot of representations on that — he should be aware, and I'm sure is, that it was a federally initiated program on the basis of a discussion, some debate, and some other action in the House of Commons in Ottawa back in '70-71. The 10 provinces have agreed to assist in the implementation of the metrication program that was initiated by the federal government at that time. I don't think it's appropriate for the provincial government — it certainly would not be feasible for one provincial government — to take a position of reversal of the federal program at this time. So I would really urge the member and have him urge his constituents who feel strongly on this issue that if they do want some change of direction, the representations should go their elected member in Ottawa rather than to this Assembly.

Dealing with the questions of the Member for Pincher Creek-Crowsnest, I'm glad to see that he supports some contracting out and recognizes that you need a balance. You can't do the whole thing out there in the private sector, particularly the busy private sector we have in Alberta right now. There needs to be some balance so that you can assure things can be done in-house, rather than being totally out there in the private sector. We have experienced occasions where commitments may not have been capable of completion by the private sector because of other demands on their time. So we do need the in-house capacity as well.

He talked about decentralization of purchases, Mr. Chairman, and that is something we're continually looking at. I think it's an important thing. I can give you one example: when I first came to office, vehicles were all tendered out of Edmonton, and I had considerable representation from the other major metropolitan centre, Calgary, that there should be an opportunity at least to purchase the number of vehicles down there that were

being used in that area. So this year we did an experimental tendering and found that, contrary to our first opinion, the costs didn't come in any higher by going to the region, the southern Alberta area, than they would have had we done the whole thing through Edmonton. They were very much competitive. In fact, I think they were slightly below the tenders here.

So it is something we are continuing to study, and I hope we can expand the experience this year to other areas of the province. I think it has a good deal of merit to it, particularly in the smaller contracts and the smaller items.

One thing we are doing to ensure there is a complete opportunity throughout Alberta to participate in government tendering is, as I mentioned a moment earlier, to try to have up-to-date computerized lists of new and old companies that are working in a particular area. There are just so many thousands of new supply and service companies out there that it is difficult to know who they are on an up-to-date basis unless you put a lot of planning into it and do go to a computer system. What we want are lists so that when we are tendering a particular contract in a given area, we don't just put it to the whole business community, but put it out selectively to the people who are working in that particular area. As we perfect and improve that system, it should mean that local contractors will get a much better opportunity to compete effectively on that type of purchase tender.

To the Member for Innisfail: I do not have a RITE system cost with me at this moment, but I will get it for the hon. member and pass it to him later, if that would be satisfactory.

MR. BORSTAD: Mr. Chairman, are we going to ask questions as we go through the estimates or are we going to give them now?

MR. DEPUTY CHAIRMAN: If there are any questions you want to ask that are pertinent to any of the votes, that's the place you should do it.

Agreed to:	
1.01 — Minister's Office	\$143,180
1.02 — Administrative Support	\$701,520
1.03 — Accounting	\$495,780
1.04 — Personnel	\$679,580
1.05 — Metric Conversion	\$207,070
Total Vote 1 — Departmental Support Services	\$2,227,130

DR. CARTER: Mr. Chairman, I'm sorry, even after a year here I don't know all the protocol. But it strikes me as a bit peculiar; we don't have any member at all from the opposition in the House. Oh, there he is. Thank you very much. Sorry. He joined the ranks.

MR. DEPUTY CHAIRMAN: During Committee of Supply you don't have to stay in your usual seats, so I wouldn't be too concerned about that.

MR. OMAN: Excuse me, Mr. Chairman.

MR. DEPUTY CHAIRMAN: If the hon. Member for Calgary North Hill wants to speak, he should resume his seat in the Assembly.

MR. OMAN: All right.

DR. BUCK: Now you're ready, Ed.

MR. OMAN: Mr. Chairman, it was well occupied, you see, when I came in. I apologize, Mr. Chairman. I had to be out of the Assembly for a few minutes.

I have a question to ask of the minister, if I might. I don't know if it comes in this area or not and whether it was discussed. It had to do with purchases made by the department, particularly in the area of vehicles or whatever, because the government is centred, I heard his original statement say that they try to favor Alberta suppliers if it's possible and if they can tender competitively.

MR. DEPUTY CHAIRMAN: The member can cover that under Vote 3.

MR. OMAN: All right, fair enough.

Agreed to:

Total Vote 2 — Building Operations and Maintenance	\$73,020,420
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### **Vote 3 — Government Transportation**

MR. OMAN: Now, Mr. Chairman. What I really wanted to know was whether, because government operations tend to be centred in the city of Edmonton, there is a fair distribution of tendering and supplying of vehicles and other services right across the province. In other words, even though they may be used in Edmonton for the most part, it doesn't seem to me that it's necessarily fair that they would be purchased in Edmonton. I'm wondering if tender forms or bids go out across the province to suppliers for vehicles or whatever that might be used specifically here in this area.

MR. DEPUTY CHAIRMAN: Does the minister care to respond?

MR. McCRAE: Mr. Chairman, we really just dealt with that a moment back. I did say that we had attempted this year, on an experimental basis, to decentralize the purchasing of vehicles in the southern Alberta-Calgary area for the number of vehicles we're using down there. We found they were not only competitive, but in fact there was a slight saving in the competitive process. So we are working in that area. We're looking at expanding it to try to regionalize it throughout the whole province.

Mr. Chairman, I had a question from the Member for Pincher Creek-Crowsnest which I didn't fully answer. That was the question of the extent of any preference on local purchases, or local preference, if you will. I perhaps misled the member in suggesting there was some percentage type preference, because there isn't. What we said really is that, all other things being equal — cost, capability of fulfilment of the contract, quality of the tender, and so on — we would select the local tenderer. Of course, the other thing I stressed is that we are beginning to emphasize further the need of the purchasing people to work with local tenderers to assure they understand the needs of the department and are better able to compete against the larger companies elsewhere.

So there is a very distinct, definite effort to try to assist local business people in competitively participating in government purchasing activities.

MR. BRADLEY: Mr. Chairman, I'm not quite sure if the hon. minister has got the gist of the question I was putting. It's with regard to provincial tendering policy. His remarks related to a local preference for local contractors. How, exactly, is that local preference to local contractors determined in terms of the tendering system? Has he got an example of how that local preference has been practised in the past? Is this practice on the basis of public tenders or invitational tenders?

MR. McCRAE: Mr. Chairman, I'm not sure I'm fully grasping the purport or intent of the member's question. What we do is put different things, contracts or invitations for contracting in service areas or supply areas, out to tender, some of it invitational. The invitational thing would be in small cost areas or other specialty areas where there just isn't the capacity of a wide range of business people to perform. In those cases, you might tender invationally to a smaller group.

On the local preference: it's just not coming through to me. I'm saying there is no percentage local preference. We do try to assure that, all things being equal, a local contractor would succeed. It is a judgment thing in terms of all the factors that are taken into account. We get into a caretaking contract situation. In addition to the price, in each case we will look at the capacity of the individual to perform the contract. On occasion you must work with the tenderer to assure that he fully understands the scope and magnitude of the responsibilities he may be undertaking.

It isn't a simple black and white thing. It's a rule of thumb, a judgment thing, where you try to bring the fairest, best judgment to bear which would assure that the taxpayer was getting fair value for the money and that the local people, small and large, were given a fair opportunity of being in a competitive position.

MR. R. CLARK: Mr. Chairman, to the hon. minister. I'd like to follow the same matter along. Mr. Minister, I recall a discussion in the Assembly two years ago with regard to the possibility of the government establishing a specific policy where a percentage of the purchasing by the province would be done on a regional basis. The proposition was put forward, I believe, by my colleague the Member for Little Bow, although it could have been my colleague the Member for Clover Bar. The point they were attempting to make was that in various regions of the province some preference should be given to local businesses in that area when it comes to the supplying of services. Certainly not on major construction projects — I'm not advocating that at all — but when it comes to the day to day servicing of facilities.

Let me give a good example. I can think of a good Conservative in Olds who is in the business of supplying business machines. His competition, in all likelihood, would be Red Deer, Calgary, and Edmonton. I use that as an example. It seems to me, when it comes to providing services in, let's say, the provincial building in Olds, he should — and does now as a result of changes that have been made — have an opportunity to bid. But if his bid is close to the bid that comes from Calgary or Edmonton, it seems to me that he should be given some local preference. Because if that isn't the case, Mr. Minister, before long that operation doesn't have the opportunity to grow with the area. Before very long, the thing just isn't able to continue. Local governments in some areas of the province do give local preference. They spell out quite clearly: we want someone locally who will be

there when we need them, be it Friday afternoon at 4 o'clock or early Monday morning.

Mr. Minister, I'd like to know quite specifically: have any steps been taken in that direction, any directives given to the purchasing agent, for example? If directives have been given to the purchasing agent along that line, I'd like to ask the minister if he could make them available to the House.

MR. McCRAE: Mr. Chairman, I'll respond to that. I think it's a very good representation to make. Certainly we've striven to go in that direction. It is a difficult thing to manage. I think the member would recognize that when you start talking about regions, you don't ever know just where to draw the line. Then you talk about the size of the contract, if you would accept or exempt the large projects; fair enough. Those are the kinds of things where you don't really have any written directives. We keep talking about guidelines it seems.

Better to have the flexibility of saying: let's respond or attempt to respond in a given area to a given situation. What we have done is provide that local managers in the smaller centres can contract out a number of things to local business people, particularly in electrical supply, management, or plumbing — that sort of area. So local business people, trades people, are given a preference at the discretion of the local manager, should the local manager think they are capable of fulfilling the contract.

I don't think you can have any hard, fast, or black and white rules. But certainly you can, through imagination and flexibility — and that is what we try to give to our people — have an expanded opportunity for local business people to compete and succeed.

The member's on a very interesting topic; that is, how much government purchasing, supply, or services should be in business development. We don't want to get into the area of the hon. Minister of Tourism and Small Business or the Minister of Economic Development, but we do expect and do work co-operatively with them, to try to assure that small business in Alberta does have plenty of opportunity.

I guess the really good news, in addition to what I've just said, is that with the buoyant economy here in Alberta, I don't think there is really too much shortage of opportunity for business. But we do recognize and are continuing to explore opportunities for government to nurture and assist small business in becoming bigger business.

MR. BRADLEY: If I might continue on a point I raised earlier with regard to purchases of supplies, would the minister give consideration to a change in policy in terms of purchasing, by either regionalization or breaking down the province geographically on the basis of where these supplies are used? Would he then put out those supplies for purchase by government only on the basis of where they are consumed, and put out the bids, the tenders, or the offerings to supply these goods or services just within that region in which they're consumed, where possible, if suppliers are within those regions?

MR. McCRAE: Mr. Chairman, I wouldn't want to give a bold commitment to do that. What I would give would be a bold commitment to study it. We study things rather dramatically and rather quickly. There would be complexities and difficulties to it. But I think there's enough merit to the recommendation that certainly we should study it. We will come back to it at a later date and give

the member an opinion on where, if anywhere, it might be feasible to do that. I think it does have some possibilities, particularly in the smaller contract areas.

MR. R. CLARK: Mr. Chairman, just following the point of along. Mr. Minister, it's my experience, be it good or bad, that in this area of purchasing, the purchasing agent is in a virtually impossible position. The chief purchasing agent for the province is in a virtually impossible position unless you, as minister, are prepared to give some direction to the purchasing agent. If that kind of direction doesn't come, then at some time in the future some one is going to come to members on the government side, members of the opposition, and you, sir, and say, what's going on here; the lowest tender isn't getting the job.

Mr. Minister, this kind of general, vague, airy-fairy stuff that you're talking about, sir, will not take place unless there's a directive from the minister to the purchasing order of the province that preference is to be given to local suppliers, be it in Lloydminster, Olds, or the southwestern region of the province. Mr. Minister, that kind of thing — and I'd be very surprised, sir, if you don't know that too — will only happen and can only happen if a directive goes, as a matter of government policy, to the purchasing agent of the province. The purchasing agent would be in an impossible position if he initiated a policy like that without a policy directive from the government. No responsible chief purchasing agent for the province could do that.

So my appeal, Mr. Minister . . . This matter has been before the House in a variety of forms for at least two years now. It seems to me a very appropriate time, when we've got very sizable potential in the northeastern and northwestern parts of the province. It isn't too difficult to set out broad general zones and give some kind of preference on some provision of services in those areas. I would never accuse this minister of running too fast. We could move slowly and set out some designated areas.

But to tell us today that we need to study it more . . . What we need is some action. But that action will only be taken, Mr. Minister, as a result of initiatives by you, sir, and by the government. You can't expect the purchasing agent to make the kinds of judgments that reference has been made to here today without firm directives from the province. He would not be looking after the best interests of the people of Alberta, if he were to do that kind of thing without firm direction. I take it, Mr. Chairman, there has been no firm direction as of yet from the minister, because the minister said nothing has been reduced to writing.

MR. BORSTAD: Mr. Chairman, just following that up a little bit. I think a lot of representation has been made from northern Alberta with regard to this centralized purchasing which is done out of Edmonton. There has been a feeling in northern Alberta that we should be doing more purchasing in northern Alberta. I know there has been representation by a number of the suppliers to the chamber of commerce and various other groups to try to bring this about. I think you mentioned that some local purchasing could be done by local people purchasing for the department, but I think that's limited to \$50. All over that are tendered. When you're studying it, I would like you to consider doing more purchasing in northern Alberta and maybe even somebody be up there from your office to do the purchasing in the local area.

MR. McCRAE: I could respond to both those. First of all the Member for Olds-Didsbury, the Leader of the Opposition: I agree with you, sir, that the purchasing officers would not be taking this kind of direction without the authorization and direction of the minister. But it is a complex area. The member adverted to the best interest of the taxpayer, and that is something that must be borne in mind. So it's not something we're going to leap into. If there were a great shortage of business opportunities out there, I suppose we might have moved faster than we have. There are good opportunities for business, nevertheless we do intend to look into it.

The direction to the department has been that we would like a study of what areas, if any, might be tendered in the way you're suggesting; that is, on a regional basis where there would be an obvious local preference. Now with that direction, part of the study has got to be the capability of local industry and business to perform the assignment. Secondly, there must be some obvious comparative cost to what would happen if the tender went outside the area, and the type of contractor supply itself that you're talking about. You've got to balance those. That is what the department is looking at right now. We've said we have moved into the Calgary area in the area of vehicles. We hope we will be expanding that in the future. It is something that we are very much looking at, and hope to have progress. I did mention that the local managers in the trades area have the opportunity of putting out to tender or bid the local opportunities. That is another example of how we have moved in that area.

The Member for Grande Prairie talked about opportunities for business in the north. I certainly hope we can expand that. Another thing we have just recently done to get away from necessary centralization of purchasing, with its sometimes obvious cost efficiencies, is to pass an order in council through Executive Council four or five weeks back which delegated from the Department of Government Services to the other departments of government, particularly in the local area, the opportunity of acquiring items up to \$50, I believe, for a start on an experimental basis to see how that works.

In other words, instead of us supplying the whole province, departmental people throughout all Alberta can purchase items they need in certain categories on a local basis without going to tender. That reduces the red tape and the paperwork, and may have some counterbalancing cost efficiencies. The \$50 number is not high, as the hon. member said, but I guess it all happens. You crawl before you walk before you run.

I can tell all hon. members that I'm very much interested in trying to balance this thing better in Alberta, and at the same time have due regard for the sensitivities of the taxpayer. They generally want the best value for dollar spent. So we'll be working at trying to balance all those things. I can see where there may be further advancements to the three I've already listed.

MR. BRADLEY: Mr. Chairman, I'd like to congratulate the minister on his open mind on this subject. I'd just like to continue to keep that pressure on him to move in the direction which I think will benefit local suppliers and rural Albertans.

Thank you.

MR. R. CLARK: Mr. Chairman, I'd be prepared to congratulate the minister too, if he would take the suggestion of the Member for Grande Prairie. It's totally out-

side my riding, so it would be more than a partisan view of the thing. I think the Member for Grande Prairie can make an excellent case for northwestern Alberta being set up as a region where we might very well try this kind of thing first. I'm sure it could be done in other regions of the province. The minister indicated earlier that one of the problems might be finding a region. Frankly I think, with the help of the Northern Alberta Development Council, that would certainly be an excellent opportunity. One can look at northeastern Alberta, too, as a second region to be set up.

In saying that, I know some people will be critical of me for taking that particular point of view. But one of the things you said we had to be careful of, Mr. Minister, is the capacity to do the job. That's true, Mr. Minister. But it's a two-sided coin, too. If you're not prepared to take some chances initially, you don't develop a capacity in the area either. And even with all the safeguards the department has, there are occasions when companies go belly-up and can't produce. I had a recent example when we were building some senior citizens' accommodations in my own constituency. I'm not being critical of the choice that was made. All I'm saying is that with all the safeguards we have built in now, that kind of thing can happen.

The other point, Mr. Minister, is that I'd certainly feel better as we leave the estimates if we could get some kind of commitment, if nothing else than the minister being prepared to, I think he used the term, "crawl before you walk before you run". I don't liken \$50 maximum to even crawling. Could we get some commitment that at least by the fall session the minister could report back to the Assembly, either in question period or in a ministerial announcement, or something, as to the progress we've made in this particular area?

I raise the matter, Mr. Minister, because with your officials in the gallery today, with you here, sir, and, I think it's fair to say, with the interest expressed from both sides of the House in moving on this kind of matter, recognizing that the government has to make the decision to give reasonable preference — and I'm quite prepared to stand the flak my office will get from some big firms in Edmonton and Calgary or outside Alberta when they complain because they didn't get a contract at Grande Prairie or someplace else when they were a few dollars lower. But if a reasonable preference is given to people in that area, Mr. Minister, I for one would be prepared to support a policy in that direction. It seems to me that we've got support from all sides of the House, and it would be an opportune time to move. Mr. Minister, can we get that kind of commitment that you would report back in the fall session?

MR. McCRAE: Mr. Chairman, as usual I would be happy to respond to any questions put in question period in the fall session, and I accept the representations from all sides of the House as being a basis for further study and inquiry into the matter. We'll come back to all members as soon as we can, and it might be through question period or whatever. But we will be looking into it.

I would certainly agree with the Member for Olds-Didsbury that if anybody can make an effective representation, it is certainly the Member for Grande Prairie. He does continually, and certainly we will have his representations in mind when we are addressing the problem.

Agreed to:

Total Vote 3 — Government Transportation \$3,246,965

#### Vote 4 — Supply

MR. BORSTAD: Mr. Chairman, on this item I was wondering if I could have an explanation of how surplus items are sold by Government Services. There have been complaints by local suppliers that a truckload of desks or office equipment will come into the auction mart and be sold, and this cuts into the local suppliers considerably. I realize it's a problem. I haven't got the answer for it, but I was just wondering if you might comment on it, please.

MR. McCRAE: Mr. Chairman, surplus goods are sold in perhaps three ways. We're experimenting with auctions locally and in the major centres; also, I believe, by tender. I guess that's part of the dichotomy of the problem we have. Many areas want you to get out into the regions not only the purchasing of new goods but also the resale of surplus assets. Local people want the opportunity of bidding on government surplus, yet in some cases the business people think they're being undercut. I don't know where the answer is either, Mr. Chairman. We are continuing to evaluate the area and, where possible, we do try to get surplus sales out into the region where the goods were used, recognizing that in some cases the business people will be upset.

I guess what we should do is rely on local members to give us advice as to what they want to happen in their particular area. I don't say we'll necessarily follow it, but certainly we would like to share the culpability or blame if someone's unhappy with the local member when we make a decision. We're open to ideas in that area, and we'd be pleased to hear from you.

MR. BORSTAD: Mr. Chairman, did I understand the minister to say that the items sold in the local area are surplus items from that area, or are they shipped in from other parts of the province?

MR. McCRAE: I'm sorry, Mr. Chairman. Could the member repeat his question?

MR. BORSTAD: Mr. Chairman, I want to make sure I heard you right. Are items sold as surplus sold from the local area only, or are they shipped by truckload from other parts of the province?

MR. McCRAE: Mr. Chairman, it's my understanding that it would be local assets or supplies only, and that they would not be shipped in from other parts of the province. If there is any clarification of that, sir, I'll come back to you.

Agreed to:

Total Vote 4 — Supply \$2,545,460

#### Vote 5 — Public Affairs

MRS. CRIPPS: Did I understand the minister to say that the extension of toll-free service to all Albertans was turned down by the Public Utilities Board? If that's the case, and the reason was that some Albertans would be given preferential treatment. I'd just like to say that only 15 per cent of Albertans do not have toll-free access to



the government by telephone. I would say that those 15 per cent of Albertans are being flagrantly discriminated against.

Do we have the assurance of the minister that he will continue to work toward equal access by all Albertans to their government by telephone?

MR. McCRAE: Mr. Chairman, the hon. member is correct in what I understand has been the determination of the Utilities Board. It felt there would have been a charge, if you will, against other than the user phoning the government in a particular case and, for that reason, did not approve the application we had before it at that time. With the strong representations of the Member for Drayton Valley, I can only say it is obvious she should have been participating in the hearings when they were going on, and perhaps may have had some impact on the Utilities Board, although I'm not sure it would be proper for a member of this Assembly to appear before such a government body.

Mr. Chairman, we can give the hon. member the assurance that we will be working toward an expansion of the system, and hope to persuade colleagues in the government that the necessary financial increases are justified and should be approved, not only by the Executive Council but by this Assembly. We hope to have something back to members, certainly well before next year, and we hope for their support at that time.

MRS. CRIPPS: Mr. Chairman, if the minister is indicating that I might have tried to influence the Public Utilities Board to give toll-free access to all Albertans, you can be assured I would have.

MR. BORSTAD: On the RITE system, I was wondering if moves are under way to increase the lines — or however it works — to the Grande Prairie region. It's probably the same in the Peace River region: the lines are plugged continually. I have many complaints from my constituents saying, what's the use of having the RITE system if we can't use it; you can never get onto it. Are there any moves to improve that service, Mr. Minister?

MR. McCRAE: Mr. Chairman, that is a problem we attempted to correct with the recommended expansion of the RITE system — that and the fact that several areas don't have any RITE system opportunity at all. So we recommended that we go through the long-distance system, not through the tie line that presently exists. We would keep on using that, but when that was overcrowded or others in other areas not served by the RITE system could phone directly to government at no cost to themselves. As I say, that was turned down on the 35 per cent discount; it was part of our application to the Utilities Board. We're now looking at several alternatives. One would be to have more tie lines into a given area or into new centres, and the other would be just for government to pick up the total cost of any long-distance calls that might be made to government. Those are two alternatives we are exploring. We'll come back to the members when we have some sort of recommendation to make.

Agreed to:

Total Vote 5 — Public Affairs	\$5,579,365
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Total Vote 6 — Computing and Systems	\$1,016,370
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Department Total	\$87,635,710
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MR. DEPUTY CHAIRMAN: Mr. Minister, would you like to report the vote?

MR. McCRAE: Mr. Chairman, I move that the vote be reported.

[Motion carried]

#### Department of Tourism and Small Business

MR. DEPUTY CHAIRMAN: Has the minister any opening comments?

MR. ADAIR: Yes, Mr. Chairman. I'd like to make just a couple of opening comments, and then attempt to answer the questions we have.

First of all, in the small business division of Tourism and Small Business, the department is involved in three areas: the small business division, the Travel Alberta section for the tourist section, and the northern development branch, which is the support branch to the Northern Alberta Development Council, chaired by the hon. Member for Grande Prairie. Added to that, I also have the responsibility for the operations of the Alberta Opportunity Company.

In the small business section, the main key to our program right now is the management assistance program that began back in 1976 in Drumheller. To date some 621 businesses have been involved in the program in 29 communities. In this year, 1980, we have plans to involve another 18 communities and, with that, another 360 businesses. Maybe I should name the ones presently involved in the first segment of this year's program. They are the communities of Barrhead, Bonnyville, Grande Cache, Brooks, Lac La Biche, Ponoka, Raymond-Magath, Trochu-Acme, and Carbon-Beiseker. With that particular start, and of course along with that the site location program and the community profiles . . . I might add that I have a copy of a booklet we intend to be able to provide to the members requesting that for their communities. It will include the statistics of the community involved, and they could provide it to businesses that may be interested in coming to their areas.

Secondly, the northern Alberta development branch is located in the town of Peace River, and it operates as a support to the Northern Alberta Development Council. That's chaired, as I said, by the hon. Member for Grande Prairie. Plans are in progress and funds are included in this year's budget for the conference slated for November this year in Grande Prairie and, of course, the continued public meetings that will be held throughout the northern part of the province.

In the area of tourism, initially, we continue to work very closely with the Travel Industry Association. We have an excellent working relationship with them and their new president, Jim Fetterly of Calgary. We're working in the area of alternate destination areas. Of course resource inventories are part of that, and that will allow us to receive some recommendations and possible development for and by the private sector. The travel information centres will be operating at the border points again. We've been working with the industry to develop other opportunities, like the fly-in fishing, trail riding, country vacations, and skiing opportunities the province of Alberta offers. Again, working with the zones, we provide assistance to them both by way of some literature and through funding to the zone assistance program, which this year will involve some \$491,000 to be distributed to

the 14 zones. That's up from \$450,000 last year.

I should also point out that Homecoming is a very important part of this particular year. That is part of the 75th Anniversary. I was not in the House when the vote in the estimates of the Minister responsible for Culture were debated, so if there are any questions relating to that, I'm prepared to answer them. We're involved in that one, obviously, through the invitation program that was sent out to various people to submit names to us. We have been involved in going to a number of functions, be it the invitation to attend the Lord Mayor's procession in London, the Quebec Winter Carnival, or involvement with the city of Calgary in the Rose Bowl Parade in Pasadena.

Of course this is the third and final year of the highly successful Stamp Around Alberta program. I should emphasize that if you haven't got all your passports stamped in the various zones, you make every attempt to do that as quickly as you can, because it's moving along very, very well indeed. We also have the awareness program involved with that, and the hospitality kits that will be sent out and have been sent out. We have designated June 23 to 27 as Hospitality Week in the province of Alberta. Ambassadors will be named in each of the 14 zones. Names can be submitted to the zone offices for that. Of course we're also involved in a program with the industry to name and honor the employee of the month. They will receive appropriate recognition and possibly an award of some type from Travel Alberta, as well as from the industry itself.

With that, Mr. Chairman, I will await the questions.

MR. BATIUK: Mr. Chairman, I would like to make a brief comment or two. I want to pass a message to the Minister of Tourism and Small Business. I represent a portion of rural development No. 4. Just a week ago they held their annual meeting, and the Member for Wainwright and I attended. Twelve communities are part of that now. There were representatives at that meeting from Willingdon, Andrew, Lamont, Chipman, Mundare, To-field, Ryley, Holden, Irma, Edgerton, and Chauvin. Now this rural development originated back in about 1973 or '74. I guess about six or seven were formed throughout the province. The purpose of these rural development areas was to work together and try to improve conditions in smaller communities.

It was very gratifying to see the expression of this area. They asked to pass a message to you, Mr. Minister. They feel that if it wasn't for the rural development, many of these communities would have been the way they were many years ago. It was very interesting to have the mayor of Lamont, even though he's in the Clover Bar constituency, make the statement that if it wasn't for the rural development, the town of Lamont would have been the same as it was in 1974. It and many of the other communities have been growing.

I would like the minister, if he can, to tell me how many of these rural development areas still exist in Alberta, how successful they are. Also, a number of other communities want to join rural development No. 4, which will make it considerably more difficult to operate. The expenditures are going to grow, but it's a worth-while cause. They were hoping that the minister will continue to support this and maybe even give greater support in the future. Funding has been coming out for the last number of years, which they appreciate, but because of the increased costs from year to year the assessment is being put on these communities, and the smaller ones particu-

larly find it more and more difficult to contribute to it. So they just asked and hoped that the minister would consider supporting this project and even expand its support.

DR. BUCK: Mr. Chairman, I would just very briefly like to make one or two comments and several questions. I will do the rest when we go through the budget line by line. I'd like to know what progress or what development of philosophy the minister and the Minister of Transportation have had as to the development of that lake and woods road, I believe they call it — you know, from Cold Lake up through that area. What is it called?

MR. ADAIR: Woods and water.

DR. BUCK: Woods and water. That has great tourist potential, Mr. Chairman. I'd like to know if any progress is being made in that direction.

Secondly, what influence the potential gasoline shortage that the American tourists were concerned with as it applied to their country and were afraid that the same thing applied to Alberta — what influence did that have on our American tourists last year?

The other thing I would like to say to the minister is that I would like the Minister of Tourism and Small Business to put a little more pressure on the minister of cultural development to get that Ukrainian Cultural Heritage Village going full blast in the Elk Island park region, because it has great potential.

The last point I'd like to make to the minister is not quite so flattering. When I was down at the Zone 5 office opening in Camrose, the government was very prominent by its absence. Mr. Minister, I'm sure that with 74 members on the government side of the Assembly, one certainly could have made the effort to be there.

The other area of concern I have is that I'd like to know from the minister if the Alberta Opportunity Company has moved forward to try to make decisions a little more expeditiously than it has in the past. I keep bringing this up every year, hoping that the decision-making time is at least being shortened by that representation.

Those are basically the questions I have for the minister.

MR. BRADLEY: Mr. Chairman, I'd like to make a few remarks about the rural development program that certainly has benefited the Crowsnest Pass area. With the amalgamation of communities there, the project is continuing under the auspices of a Crowsnest Pass economic development board. The assistance the department provides to that program is important to its funding and success.

With regard to some activities by the department, in particular the consultant's report being prepared by MTB Consultants on tourism destination areas in southwestern Alberta, I wonder if the minister might explain the procedures with regard to how that report will be handled once it's released, how the recommendations will be handled by the department and their implementation, and if the minister might also advise as to when he expects that report to be made public. The economic development board there feels that it requires recommendations from that consultant's report in order to make some plans about tourism proposals they would like to see go forward in the area.

MR. PENGELLY: Mr. Chairman, I would like to commend the minister and the AOC program. In the Innisfail constituency at Delburne, we now have the only permanent mould, aluminum die casting facility in the province. The owner there takes workers from the farm population around the area. He's moved into his new building. There were several attractions there: a plentiful natural gas supply, the prices for land for the operation, and building construction compared to the larger cities. He said even though he's away from the major centres, that more than offsets the cost of freight to ship the products out.

One order he has is supplying White Trucks in British Columbia with aluminum cast frame mounts and cross members at the rate of 200 a month. They also mould gauges that are used to measure river flows, parts for sailboats, and of course parts for agricultural implements. They also have there the machine tools to make dies necessary for the casting process.

If they have an official opening, I really hope the hon. minister can see that. It's really worth while. Perhaps this is a direction that other small manufacturers in the province could go too.

MR. ADAIR: Thank you, Mr. Chairman. First of all, in regard to the question as to the number of regional development projects under way. There are six: Lac La Biche, Crowsnest Pass, Mundare, Buffalo Lake, south shore of Lesser Slave Lake, McLennan, and High Level. There's no question about it: they have served a good purpose. It's the concept of assisting the communities to help themselves. I should put all members on notice that the idea behind the project was not necessarily to stay with one particular project in one area for the rest of time. At some point in time we're going to look at the possibility of moving a project to another area. In other words, the idea behind it was to assist them to get to a certain level at which they could then operate on their own.

So there is that gray area out there. I think it is a concern to some of the communities when they might be cut off, if that is the right word to use. I can say that it would not happen over night. That would take place by discussion. The possibility of looking at a reduction in the funding to them over a number of years might even be considered as well.

In relation to the member from Fort Saskatchewan talking about the woods and water route, to my knowledge that is ongoing. Most of that particular section was paved. A couple of areas needed to be upgraded. I don't have that specific information with me, but I will check for you. I appreciate having it brought to my attention.

Relative to the gas shortage of a year ago, I think in essence the influence was small overall, but there was certainly some concern and confusion, partly caused by two factors: the apparent shortage they had within their own states in the United States, and the confusion of going from a gallon to a litre. In a sense they didn't know what they had in their gas tank. But I think we attempted to create the message to our markets — say, the western United States and California — by indicating to them that supply was not a major problem, that we did in fact have gasoline, and that if they would like to get into what might be called the fly/drive situation, we were prepared to assist and accommodate any requests that came from them in that area.

Your comments relative to the Ukrainian village are noted. Certainly I can't comment on the Camrose situa-

tion. I'm not sure that I even got an invitation to it. If I did, maybe I'm the one who should be slapped for not attending.

Relative to the Alberta Opportunity Company and the decisions, I think it has improved. And I say "I think" in the particular sense that two things have happened with the creation or the split-off of the former Department of Business Development and Tourism into the Department of Tourism and Small Business. There's a much closer working relationship now between the small business division and the Alberta Opportunity Company, and it's a two-way provision. For example, if a person comes into the division of Tourism and Small Business, asking for assistance in preparing a loan application, they can receive that from us; alternatively, the AOC comes back and says, we need some more information from a group, can you assist us in providing some of that? They in turn are also doing that. That has shortened that particular decision-making process, recognizing that the board meets every two weeks. That still is in place and would still carry on, but it has to some degree — I'm satisfied at this point that it has improved considerably over a year ago.

To the hon. Member for Pincher Creek-Crowsnest relative to the MTB study, the recommendations, and what process or system might be followed once we've completed and made public the recommendations of that report, I'm in the process of trying to make my way through it right now. As soon as that is completed, two things can happen. We'll make that particular study public by possibly going down to your area, sitting down with the people, and explaining exactly what it is — similar to what we did with the Grande Cache study. From that point on, it would be distributed to various departments affected for their comments and response so that we have in place some idea from them as to what may in fact be the consequences of some of the recommendations made. After we get the public input as well, again from the actual recommendations because the consultants have been contacting a good part of the public, we would then put in place a set of recommendations for development, preferably by the private sector but, where necessary, by the various departments of government in co-operation with the private sector.

So that is the route. I would hope that would happen very quickly after we complete the session and I have a chance to complete that particular study, which is more or less a gathering of resource information and some recommendations as to what could be developed in that area. I might add that we also have ones from the southeast area, the Drumheller area, and the Coal Lake-Grand Centre area to review as quickly as we can.

#### Agreed to:

1.01 — Minister's Office	\$127,570
1.02 — Deputy Minister's Office	\$133,800
1.03 — Administrative Support	\$59,500
1.04 — Finance	\$159,300
1.05 — Personnel and Administration	\$159,000
1.06 — Legal Affairs	\$19,300
1.07 — Public Relations	\$31,600
Total Vote 1 — Departmental Support Services	\$690,070

#### Vote 2 — Development of Tourism and Small Business

MR. TOPOLNISKY: Just a comment first, and then a

question, Mr. Chairman. I'm very pleased to hear the favorable comments regarding the benefits of rural development throughout Alberta. Specific reference was made to rural development region No. 4, the last one that I was very actively engaged in setting up. I'm pleased to hear it is doing well.

Another topic, Mr. Chairman, to the Minister of Tourism and Small Business, is regarding regional economic expansion, the so-called DREE program. The program is in effect in northern Alberta. I believe the boundary is drawn from St. Paul through to Athabasca and westward. My concern is that the boundary be moved to include a larger portion of Alberta; therefore, to run along the North Saskatchewan River or even as far south as Highway 16. This would include a number of counties and MDs and assist them in regional economic development. Has any consideration been given to changing the boundary for this DREE program?

MR. ADAIR: Mr. Chairman, the Alberta North Agreement or the DREE agreement that is presently in place was a negotiated agreement that included the boundaries. I believe that is up for review next year. I stand to be corrected on that. It has another year or year and a half to run. If we were going to continue negotiations for an extension to that existing agreement or a new agreement, that possibly would be the only opportunity we would have to look at any boundary changes that might be made. I would suggest that if you have some suggestions in that area that you have them made . . .

MR. DEPUTY CHAIRMAN: Would the minister use the ordinary parliamentary language, please.

MR. ADAIR: Yes, Mr. Chairman. Now that I have my thoughts back again, where was I? I was in the middle of making a recommendation or a suggestion to the hon. member that possibly he, through the people who may be making representations to him, consider having representations made to and through the Northern Alberta Development Council for consideration by the council to the branch, and back to the negotiating committee for future discussion relative to the existing agreement or any future agreements.

Agreed to:

2.1 — Small Business	\$2,348,400
2.2 — Tourism	\$6,145,700
2.3 — Northern Development	\$1,074,600
Total Vote 2 — Development of Tourism and Small Business	\$9,568,700

Total Vote 3 — Financial Assistance to Alberta Business via Alberta Opportunity Company	\$4,950,000
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#### Department Total

DR. BUCK: Mr. Chairman, to the hon. minister. We've given notice that the hon. Leader of the Opposition would like to make a few brief comments. I'd like to know if the minister would hold the final vote for that?

MR. ADAIR: Mr. Chairman, I don't have any problem with that. The hon. Leader of the Opposition mentioned to us that he would be absent and would like to make

some comments if it could be held at this stage and brought back the next time.

MR. DEPUTY CHAIRMAN: We'll hold the vote until the next committee.

#### Department of Consumer and Corporate Affairs

MR. DEPUTY CHAIRMAN: Has the minister any opening comments?

MR. KOZIAK: Very briefly, Mr. Chairman. First, in the area of consumer relations and education, hon. members are aware that our goal is to promote the development of informed consumers, aware of their rights and responsibilities, capable of reasoned decisions and actions in a market place, and assured of fair standards in commercial endeavor. We attempt to do that with legislation and educational programs. During the course of second reading of The Unfair Trade Practices Act, I've already brought to the attention of hon. members some of the important things we're doing in that area for consumers in the province. We have filed the annual report by the supervisor under The Credit and Loan Agreements Act, which provides hon. members with information as to the work done in that area.

With respect to that area and that piece of legislation, I should add that over the period since October 1976 over \$150,000 has been returned to 6,500 individuals. These are amounts that have been overcharged which have been found through audits performed by departmental officials.

In the area of business registration, well, what's there to say? There's been a phenomenal growth in the number of incorporations in this province — a number of new taxpayers for the hon. Provincial Treasurer. We've opened up the Calgary office of the companies branch; that's been very successful. The office of the co-operatives branch has moved to Stettler.

Another significant item that will be clear to all hon. members as we run through the votes of the department is the substantial reduction in the budget of Vote 5 — Rent Decontrol Administration. We intend to move completely out of that, as I've mentioned during question period, as the Act provides. Suffice it to say that the number of very substantial programs we announced Wednesday will assist those tenants in this province who require assistance. That assistance will be provided by society as a whole, rather than by one segment of society.

Finally, I'm very proud of the efforts that our department is making in the area of education. Some of our materials are in demand not only in the province of Alberta but outside the province; in other areas of Canada, other countries, and even off this continent. As a matter of fact, I'm going to ask the pages to distribute to all hon. members two particular examples of some of the work, a very useful booklet called Uluschk's Marketplace which by cartoons brings across many of the points we feel consumers in this province and those about to be who are in our school system — as a matter of fact they're consumers; they have quite a large number of dollars at their disposal that they make consumer decisions with daily. This type of a book causes them to think. It's a very useful book for precipitating discussion in classrooms. It'll be used by teachers who can include consumer education in the regular school program.

This document here provides examples of how you can

incorporate consumer education in basically almost all subjects that are taught in our basic education system, from grades 1 to 12.

With those brief remarks, Mr. Chairman, I'd be prepared to answer any questions hon. members might have with respect to the department or any individual votes.

DR. BUCK: Mr. Chairman, to the minister. Most of the questions I have will be on individual votes, but I would just like to compliment the minister on his concern for consumer education. I guess MLAs, all of us, are marriage counsellors, counsellors for people with alcoholic problems . . . We seem to counsel everybody for many problems. But the problem of consumer debt is of great concern. I'd like to compliment the minister for being concerned, and showing his concern in this area. With the people we deal with as MLAs, one of the major problems of marriage breakup and mental illness is people not being able to handle their money. It's just that plain and simple. So I really do sincerely wish to compliment the minister in his concern in moving in this direction. I think the minister has an excellent program.

I'd also like to compliment the minister — it is rather unusual for me to be so gracious — on some of the programs we have on our television on debt counselling and handling of financial affairs.

The other areas of concern I will bring to the minister's attention as we go through the sections.

MR. PAHL: Thank you, Mr. Chairman. I would also like to compliment the minister on the concern for the dangers inherent in what might be called unlimited consumer credit. I wonder if the minister and his department have considered any legislation or, perhaps more accurately, undertakings to the federal government that would present some limits on the availability and use of credit by consumers, particularly for capital and durable goods purchases. That's the first part of my question.

The second part would be: I note one of the responsibilities of the department is the regulation and registration of trust companies. In view of the increasing financial sophistication of the province as we have increased our level of activity, I wonder whether the minister has had any indications on the growth of trust companies, and any problems associated with that growth relative to performance of trust companies, and I guess near-banks, that occurred perhaps in the late '50s and early '60s in Alberta.

MR. KOZIAK: May I begin by accepting on behalf of the very effective people who are working in the consumer relations division the compliments that my hon. colleague the Member for Clover Bar has made in the course of the committee discussion of the estimates. I'm sure they'll be pleased to read those, because I know that they are as concerned as he is in these particular areas. We're hopeful that some of our programs are effective. We have indications that there are effective results from those programs.

I suppose the comments follow one upon each other, because the hon. Member for Edmonton Mill Woods specifically directed his concerns to credit cards and the use of credit cards. We've had the Before You Go Under program, as all hon. members are aware. We've had the Cosmic Coinship program, which is directed to the young generation with respect to the proper use of credit. We are looking very seriously at an advertising program which will be directed specifically at credit cards this fall.

So that question from that hon. gentleman is very useful with regard to our intentions in this respect.

The second concern raised by the Member for Edmonton Mill Woods with respect to trust companies: I would have to say, Mr. Chairman, that the change that was made in The Trust Companies Act — increasing the minimum capital trust companies were required to have in order to incorporate, be registered, and carry on business in this province from the original \$500,000 to the now \$2 million — is a significant change which has strengthened the industry considerably in the province. The information I have is that our trust company industry is doing well and is on very strong financial footing.

Agreed to:

1.01 — Minister's Office	\$118,819
1.02 — Deputy Minister's Office	\$132,447
1.03 — Finance	\$117,869
1.04 — Personnel	\$133,120
1.05 — Planning and Analysis	\$112,976
1.06 — Resource Centre	\$106,847
1.07 — Administration	\$217,841
1.08 — Systems Management	\$333,379
1.09 — Records Management	\$349,660
Total Vote 1 — Departmental Support Services	\$1,622,958

MR. DEPUTY CHAIRMAN: Before we proceed to Vote 2, may the hon. Member for Edson have permission to revert to introduction of visitors?

HON. MEMBERS: Agreed:

#### head: INTRODUCTION OF SPECIAL GUESTS (reversion)

DR. REID: Mr. Chairman, I would like to introduce 42 visitors, who are in the members gallery, *visiteurs de la belle province de Quebec. Ils ont visite les belles montagnes d'Alberta a Jasper el aussi a Banff dans les parcs nationaux*. These visitors are 38 students from Ste. Foy, Quebec, near Quebec City. They are accompanied by three teachers, Adrienne Hogue, Jean Blais, and Jean Doyon. They're also accompanied by one of the teachers in Jasper who is a bilingual francophone, Patrick Stephan.

I would ask them to rise and receive the welcome of the Assembly.

#### head: GOVERNMENT MOTIONS (Committee of Supply)

##### Department of Consumer and Corporate Affairs (continued)

Agreed to:

Total Vote 2 — Consumer Relations and Education	\$3,252,230
3.1 — Regulation of Co-operatives	\$366,394
3.2 — Regulation of Insurance and Real Estate Industries	\$1,046,752
3.3 — Regulation of Automobile Insurance Premium	\$79,411
3.4 — Business Incorporation	

and Registration	\$2,402,799
3.5 — Registration and Regulation of Trust Companies	\$76,636
3.6 — Regulation of Credit Unions	\$555,880
Total Vote 3 — Business Registration and Regulation	\$4,527,872

MR. HORSMAN: Mr. Chairman, I move that the committee rise, report progress, and beg leave to sit again.

[Motion carried]

Total Vote 4 — Regulation of Securities Markets	\$1,848,398
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[Mr. Deputy Speaker in the Chair]

Total Vote 5 — Rent Decontrol Administration	\$145,064
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MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, and reports as follows.

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1981, sums not exceeding the following for the purposes described.

Government Services: \$2,227,130 for departmental support services; \$73,020,420 for building operations and maintenance; \$3,246,965 for government transportation; \$2,545,460 for supply; \$5,579,365 for public affairs; \$1,016,370 for computing and systems.

Department of Consumer and Corporate Affairs: \$1,622,958 for departmental support services; \$3,252,230 for consumer relations and education; \$4,527,872 for business registration and regulation; \$1,848,398 for regulation of securities markets; \$145,064 for rent decontrol administration.

The Committee of Supply has had under consideration certain [resolutions], reports progress thereon, and requests leave to sit again.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. Deputy Chairman of Committees and the request for leave to sit again, are you all agreed?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, by way of House business next Monday, the House will be in Committee of Supply on Monday afternoon and evening, to continue the estimates of the Department of Social Services and Community Health.

I move that we call it 1 p.m.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. Deputy Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

[At 12:55 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]

DR. BUCK: Mr. Chairman, just one or two comments to the minister. I'd like to know if the minister can indicate very briefly what problems, if any, have been caused for credit unions by the high interest rate situation we're in now. I'm sure the minister has been made aware that there were some problems and how it's affected their volume in some of the transactions. Can the minister briefly indicate if that in fact has been the problem?

MR. KOZIAK: Contrary to popular belief, Mr. Chairman, all financial institutions are probably in the same category. They don't necessarily do that well as a result of fluctuating interest rates. A financial institution is in a much better position with interest rates that remain constant, because the ability to match the funds you receive and lend, and maintaining a spread on those funds, is extremely important. If you have rising interest rates, there is of course a tendency to reduce borrowing from the financial institution. At the same time, the expense of the money you, as a financial institution, receive is going up. That is one aspect of doing business that all financial institutions have to face. Credit unions, trust companies, and banks all face this particular problem.

However, the reports I have been receiving from the credit union branch indicate that although there may be a small reduction in profits across the system, the credit union system in this province, which is now reaching \$2 billion in total assets, with increasing membership, is in a very strong position. All members of credit unions have an extremely useful, reputable, and strong financial system going for them.

Agreed to:	
Department Total	\$11,396,522

MR. KOZIAK: Mr. Chairman I move that the vote be reported.

[Motion carried]