

LEGISLATIVE ASSEMBLY OF ALBERTA

head: INTRODUCTION OF BILLS

Title: Monday, May 4, 1981 2:30 p.m.

Bill 39

The Alberta Corporate Income Tax
Amendment Act, 1981

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

PRAYERS

[Mr. Deputy Speaker in the Chair]

head: PRESENTING PETITIONS

MR. KNAAK: Mr. Speaker, I would like to present to the Assembly the following petitions for private Bills:

1. the petition of Walter William Smart for The Katherine Jean Jackson Adoption Act;
2. the petition of the trustees of the Senator Patrick Burns Bequest Fund for The Honourable Patrick Burns Settlement Amendment Act, 1981;
3. the petition of the Denturist Society of Alberta for The Dental Mechanics Amendment Act;
4. the petition of the Calgary Golf and Country Club for The Calgary Golf and Country Club Amendment Act, 1981;
5. the petition of the governors of University of Calgary and Calgary Chamber of Commerce for The Calgary Research and Development Authority Act;
6. the petition of Dr. E. Scheinberg, Jean F. Krieger, Janice F. Krieger, Lloyd K. Boswell, and Marilyn Boswell for The Eau Claire Trust Company Act;
7. the petition of the city of Edmonton for The Edmonton Ambulance Authority Act;
8. the petition of Mr. Merlin Harris for The April Marie Harris Limitation Act;
9. the petition of the president and secretary of Paramount Life Insurance Company for The Paramount Life Insurance Company Amendment Act;
10. the petition of Robert Hazen, president, Alberta Bible Institute, for The Alberta Bible Institute Amendment Act;
11. the petition of Ross Alger for The Honourable Patrick Burns Settlement Amendment Act, 1981 (No. 2);
12. the petition of the Sisters of Charity of Providence of Calgary, the governing council of the Salvation Army — Canada West, trustees for the Poor, Indigent and Neglected Children of the city of Calgary, and trustees for the widows and orphans of members of the police force and fire brigade of the city of Calgary for The Burns Memorial Trust Act;
13. the petition of John Falconer, Frederick L. Fenwick, Ronald Ghitter, Douglas Martin, Howard P. Miller, Hayden E. Smith, W. Rees Taprell, and Alexander Fraser for The Calgary Foundation Act;
14. the petition of Colin Taylor, Larry Andrews, John F. Hunt, Robert B. Brintnell, and Kimberley Israel for The Richmond Gate Trust Act;
15. the petition of Gordon D. Wusyk, Ed Tonn, Karen G. Brust, Hugo Witzke, and Harvey A. Brust for The North American Commercial Trust Company Act.

MR. HYNDMAN: Mr. Speaker, I request leave to introduce a Bill, being The Alberta Corporate Income Tax Amendment Act, 1981.

This Bill does not involve any substantive new amendments. It makes technical corrections and incorporates some recent changes in the Canada Income Tax Act and some provisions recently introduced in the federal small business deduction. As announced previously, significant new amendments to this Act to provide the new Alberta business incentives are being developed and may be announced later this year.

[Leave granted; Bill 39 read a first time]

Bill 37

The Workers' Compensation Act, 1981

MR. DIACHUK: Mr. Speaker, I request leave to introduce Bill No. 37, The Workers' Compensation Act, 1981. This being a money Bill, His Honour the Lieutenant-Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, once more I wish to thank members of the select committee; in addition, all the members of this Assembly who have assisted me in the review of the present Act; also all the citizens of this province and the business community who came forward with additional submissions following the tabling of the report last year.

We are serious about the worker's right to fair and equitable compensation as a result of work injury or work-related disability. Bill 37 very much reflects the recommendations of the select committee. I look forward to the debate and the co-operation of all members of this Assembly for this Bill to receive Royal Assent by the end of the spring sittings, in order to permit the Workers' Compensation Board to implement the changes effective January 1, 1982.

Therefore, Mr. Speaker, with your indulgence I would like to introduce the board members in the gallery: the chairman Mr. Roy Jamha, and commissioners Mr. Peter Kolba and Dr. Bert Hohol. Thank you for providing them with the traditional welcome to this Assembly.

[Leave granted; Bill 37 read a first time]

Bill 28

The Land Surveyors Act, 1981

MRS. EMBURY: Mr. Speaker, I request leave to introduce Bill 28, The Land Surveyors Act, 1981. The purpose of this Bill is to bring the legislation of the Land Surveyors Professional Association up to date, to conform with changes in their practice today and with the government policy paper on professions.

[Leave granted; Bill 28 read a first time]

Bill 40

The Public Utilities Board
Amendment Act, 1981

MR. KNAAK: Mr. Speaker, I request leave to introduce

a Bill, being The Public Utilities Board Amendment Act, 1981. The purpose of the Bill is to amend The Public Utilities Board Act, and the intent of the amendment is to change the definition of a public utility to include what in constitutional language might be called an intraprovincial telecommunications undertaking, and provides that the Lieutenant-Governor may pass regulations in order to provide for licensing of such telecommunications undertakings.

[Leave granted; Bill 40 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bills nos. 28 and 40 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. HARLE: Mr. Speaker, I wish to table the 1980 annual report of K Division RCMP.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. MANDEVILLE: Mr. Speaker, I'd like to introduce to you, and through you to members of the Legislature, 21 students from Ralston. I'd like to share this introduction with the hon. Member for Medicine Hat, for several people from the Ralston area commute between Medicine Hat and Ralston.

I would also like to say to the hon. Minister of Environment that Ralston is not very far from Suffield, and some students are concerned as a result of possibly using Suffield for disposal of some waste chemicals and so on.

The students are accompanied by their teachers Mr. Gehring and Mrs. Bartholomew, and their bus driver Mr. McLaughlin. They're in the public gallery, and I'd like them to rise and be recognized by the House.

MR. HARLE: Mr. Speaker, I'd like to introduce to you and to members of the Assembly 14 grade 6 students from Erskine school in my constituency. They're accompanied by their teacher Mr. Keast, a parent, and a bus driver. They're in the members gallery, and I'd ask them to rise and receive the welcome of the House.

MR. PAHL: Mr. Speaker, it's my pleasure this afternoon to introduce to you, and through you to members of the Assembly, 25 members of the grade 6 class at Malcolm Tweddle school in the constituency of Edmonton Mill Woods. They're accompanied by their teacher Miss Gloria Kelly and are seated in the public gallery. I ask them to rise and receive the greetings of this Assembly.

DR. CARTER: Mr. Speaker, it's my pleasure this afternoon to introduce to you, and through you to members of the Assembly, 40 persons from the area of Calgary known as Calgary Millican. Of that group, 22 are residents in Beaver Dam Lodge, a senior citizens' facility located in Millican-Ogden. Sixteen come from the interesting part of Calgary known as Ramsay. Two come from the Victoria Park area and are residents of Rundle Lodge, which incidentally was the site of the first general hospital in Calgary. From Rundle Lodge we have Mrs.

Spicer, who is 91 years young. Accompanying the group we have the bus driver Murray Lowey; Joyce Raines, the executive director of Carter Place for senior citizen housing in downtown Calgary; and a very good friend of mine by the name of Lois Carter. I ask that they all stand and be recognized by the Assembly.

MR. STEVENS: Mr. Speaker, I have a special privilege today of introducing to you and members of the Assembly two residents of Banff-Cochrane, who have just moved from Banff to Canmore this weekend, Mr. and Mrs. Tom Kouk.

The reason I'd like to introduce you to these two special guests is that Tom is the manager of theatre events and presentations at the Banff Centre and president of the Banff and Lake Louise Chamber of Commerce. His wife Natasha, whose stage name is Natasha Hosein, received a grant last year to attend the Royal Winnipeg Ballet to extend her skills in the dance. She's here today, before the Assembly sitting, to audition. I hope that with her audition she'll be able to return to Alberta. Would you please rise, Mr. and Mrs. Kouk, and receive the warm greetings of the Assembly.

head: **ORAL QUESTION PERIOD**

Jasper Energy Meeting

DR. BUCK: Mr. Speaker, I will direct my first question to the Government House Leader. Can he indicate who will be speaking for the government on the matter of energy affairs, in light of the absence of the Premier and the Minister of Energy and Natural Resources?

MR. CRAWFORD: Mr. Speaker, I don't think the absence of the Minister of Energy and Natural Resources is an extended one. If the hon. member has questions either on his own behalf or on behalf of the Leader of the Opposition, who's not present today, we would simply take notice of them.

DR. BUCK: Mr. Speaker, I can tell where the Leader of the Opposition is. I'd like to know where the Premier is. The Leader of the Opposition is attending a funeral.

In light of the fact that certain thousands of dollars of taxpayers' money was spent at a Jasper meeting, maybe now the Government House Leader can indicate to me if someone on that side of the House can answer in this Legislature as to the meeting last weekend in Jasper.

MR. CRAWFORD: Mr. Speaker, I certainly agree with the hon. member that the question is properly directed, even though by the nature of such a meeting, the provision of details would probably be difficult and perhaps not the sort of thing the hon. member would really expect. I can only say again that the Minister of Energy and Natural Resources would respond to such questions, so far as he is able, when he returns.

DR. BUCK: Mr. Speaker, I will hold my question.

Travel Agent Regulations

DR. BUCK: Mr. Speaker, I would like to ask my question then to the Minister of Consumer and Corporate Affairs or the Minister of Tourism and Small Business. In light of the fact that several travel agencies have gone

bankrupt in the last few months, can the Minister of Consumer and Corporate Affairs indicate if the government will be bringing in legislation at this time to set up a compensation fund for travel agents?

MR. KOZIAK: Mr. Speaker, earlier this year, at an opportunity I had to address the South Edmonton Business Association, I indicated some directions with respect to licensing in the province, and suggested there were certain areas where we felt the need for licensing could be removed. At the same time, I thought there were certain areas in which there was need for licensing. That included the area of travel agents. The conclusion was reached on the basis that what we are dealing with here is payment by consumers in advance of the receipt of goods and services for which they have contracted, so there would be some necessity for government intervention under those circumstances. At the same time, I invited the reaction of those to whom those particular remarks were addressed, and have since received some reaction, particularly from those in the travel agency business.

I had suggested that we might pursue licensing under The Licensing of Trades and Businesses Act, with a bonding requirement and a trust account requirement. However, travel agents in the province have expressed concern, particularly that the trust account concept might not be applicable to their method of doing business, and have put forward the suggestion that perhaps a compensation fund of some sort would be a better approach. My feeling now is that under The Licensing of Trades and Businesses Act, we probably could not accommodate a compensation fund. If that were the direction we would move to, it probably would require special identifiable legislation.

No conclusion has been reached, however. I've indicated to the association that my intention will be to meet with them for a sort of special, exhaustive type of meeting, whereby we can consider all points of view that the association may wish to bring to the table, and that I would do this immediately following the spring session of the Legislature.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. Is the minister in a position, or does the minister have the information available as to what Alberta consumers lost through the folding of Strand travel and Lawson McKay Travel? Is the minister in a position to indicate what financial bath Albertans took because of that failure?

MR. KOZIAK: Mr. Speaker, I don't have accurate figures I could relate to the hon. member. However, he should be aware that certain efforts were made, and I don't know to what extent were then utilized on behalf of these consumers. For example, I know that departmental officials were in touch with the owners of the cruise ship *Vera Cruz*. The owners of that ship indicated they would honor the Strand tickets on their ship, notwithstanding that they had not been paid for. Similar arrangements were possible with certain of the airlines involved.

At this point it's difficult to determine whether there has been a loss by consumers, or whether that loss has been by the travel agents who have sold consumers the packages and have not been able to deliver on the contract they have provided to those consumers.

DR. BUCK: Mr. Speaker, my final supplementary to the hon. minister. What discussion has the minister had with his counterparts in the other provinces to look at the problems caused by tour operators, as separated from travel agencies, to look at setting up a national fund when we have problems with bankruptcies?

MR. KOZIAK: I have not had discussions with my counterparts in this particular field, Mr. Speaker. I should point out that the concept I see in this area is a fund that will be developed, not by governments but by the members of the association contributing to such a fund. We can consider whether or not a national concept would be in order after we've reached certain conclusions within the province of Alberta with respect to how we will approach this matter in Alberta.

MR. COOK: A supplementary question, Mr. Speaker. I wonder if the minister could advise the Assembly whether the department has looked at the conditions nationally, the unhealthy economic conditions, and the impact on travel agents and operators? Is there some risk that other agencies will go bankrupt in the next few months, putting Albertans' travel plans and savings in jeopardy?

MR. KOZIAK: Mr. Speaker, it's a question I can't provide information on for two reasons: one, I don't have information that would suggest the nature of the travel industry in the nation is such that that concern should be relayed to the people of the province of Alberta; and secondly, the relaying of such a concern might be a self-fulfilling prophecy, so it would be dangerous even to embark on that type of concept.

MR. COOK: A supplementary question, Mr. Speaker. Many in the travel industry publications are suggesting that a number of agencies are financially shaky. I wonder whether the legislation and regulations the minister is proposing would be ready for the fall, and whether they would include not just the travel portion but also the hotel and meals packages that would be sold as part of the travel package for consumers.

MR. KOZIAK: Mr. Speaker, to a large degree a lot of the travel portion, particularly if it takes place on scheduled airlines, is now covered by arrangements through IATA. The concern is not so much there as it is with respect to the other packages that are sold alongside of the tickets which cover the flight.

In terms of timing, whether we might be looking at the fall: although I would hope that might be the case, the discussions we'll be having after the spring session may be of such a nature that my hopes will not be realized.

MR. COOK: A final supplementary, Mr. Speaker. Is the minister then suggesting that the decision to have regulations or legislation in place depends simply on negotiations with the industry? If industry spokesmen are to be believed, the consumers of the province are at risk with the number of agencies on the edge financially. I would ask the minister to assure the House that we would have something in place for the fall to protect Albertans who might be at risk, and not simply protect the agencies involved.

MR. KOZIAK: Of course, Mr. Speaker, my goal would be common with that of the Member for Edmonton Glengarry; that is, the concern with respect to consumers.

I would like to move in this direction as quickly as possible. The only sort of roadblock I can see in terms of movement during the course of the 1981 calendar year is the nature of that regulation. If it can be accommodated within existing legislation, I see the time line being much shorter than if it has to be accommodated within legislation; there, it might take a little longer.

DREE Cost-Shared Programs for Natives

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Minister of Federal and Intergovernmental Affairs. It flows from the Premier's remarks in *Hansard* on April 10 that the government would support the effort of native bands to increase federal commitments for economic development.

In light of the very high unemployment rate in northern Alberta native communities, is the minister in a position to advise the Assembly why the government of Alberta has not entered into the shared-cost agreement with the federal Department of Regional Economic Expansion, which would make millions of dollars available to native entrepreneurs in northern Alberta? I ask this question in light of the fact that since 1971 almost \$20 million has been allocated to B.C., \$26 million to Saskatchewan, and \$14 million to Manitoba. Why have we not entered into this program?

MR. JOHNSTON: Mr. Speaker, the hon. Member for Spirit River-Fairview makes some very important observations with respect to the cost-sharing programs as are reflected here in the province of Alberta and the Department of Regional Economic Expansion. We too have the same concerns. For some time we have been after the federal government to renegotiate the Department of Regional Economic Expansion agreement with the province of Alberta. Unfortunately, although we have pressed them for meetings and responses, to this date there has not been very much positive in terms of the reaction from the federal government.

We believe there is clearly a role for the federal government to play in the cost-shared programs in the areas outlined by the member. We ourselves have assigned that as a matter of priority in terms of the kinds of negotiations, the kinds of results we would like to see as a result of DREE agreements here in the province of Alberta. Unfortunately, in that area and in other areas, the federal government has been hesitant to conclude a broad, umbrella agreement with the province of Alberta, although we have continued to pursue that agreement with them. At this point, after subsequent letters and meetings, they have not yet been able to conclude the agreement with us. I might note that we have pressed them, we have continued to pressure them in terms of this arrangement and, unfortunately, it has not been concluded at this point.

MR. NOTLEY: Mr. Speaker, a supplementary question specifically with regard to this cost-sharing program as it relates to native people. Why is there a holdup when other provinces, our neighboring provinces, are just as concerned about the implications of cost-shared programs? B.C., Saskatchewan, Manitoba have concluded agreements; money is being made available under the agreement. Why is there a problem with the province of Alberta on this particular score?

Is the minister in a position to advise the Assembly what particular representation the minister made at the

meeting last fall with Mr. De Bane? I'm given to understand that the federal government made an effort to try to bring Alberta into this particular program. What was the problem, that we weren't able to move forward when other provinces have been in the program for almost 10 years now?

MR. JOHNSTON: Mr. Speaker, perhaps that question could best be addressed to the Minister of Regional Economic Expansion, because we have asked the very same points. Why is it that he fails to conclude agreements with the province of Alberta, even though other provinces around us seem to be completing these agreements? I'm sure many of us could add to the speculation as to why that may in fact be the situation, but I will not add to that debate at this point, except to say that we've used our best efforts.

Through the responsibilities I have in terms of the umbrella agreement, and through the responsibilities the associated members have, with our sincere efforts we have in fact attempted that. Unfortunately, whether in the areas of native affairs, tourism, or nutritive processing, it does not seem that the federal government wants to complete an agreement with us. It may well be that other tensions between the province of Alberta and the federal government could be at the heart of the reason, but it's not for me to speculate on that at this time.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. With respect to the meeting that took place between Mr. De Bane, the hon. minister, Mr. Donahue from the Native Secretariat, what specific areas of disagreement existed that precluded the government of Alberta from moving ahead with this particular program?

MR. JOHNSTON: Mr. Speaker, again, it's very difficult to put in the context of DREE agreements a specific weighting which may be attached to native affairs. For example, my other colleagues here on the front bench may suggest that their own priorities are those which should surface and should pre-empt other arrangements we have. We try to give a very fair display of the priorities the province of Alberta had in terms of these joint, shared arrangements, but unfortunately, Mr. De Bane first of all had no financial commitment to make to the province of Alberta and in fact had a very weak policy statement to make. Therefore, at this point we could not conclude an agreement. It's not for us to give any excuses. We simply put on the table the broad range of opportunities the federal government had to share in the programs here in Alberta, but unfortunately, at this point they have not been able to respond nor can they conclude any agreement. So for us to give excuses is not appropriate. It's not for us to suggest what is wrong with the federal government. You should ask the federal minister.

MR. NOTLEY: A supplementary question. I'm asking whether there's anything wrong with the provincial government here, because it seems to me the program is a good program. Is the minister telling this Assembly today that the DREE cost-sharing program as it relates to native communities — that at the meeting that took place last fall Mr. De Bane suggested that the Alberta program would not be similar to the program in place in British Columbia, Saskatchewan, and Manitoba?

MR. JOHNSTON: At this point, Mr. Speaker, the hon. federal minister has not been able to respond to our

requests, so I can't say what his position is: He talked in a very general sense about the kinds of opportunities, but unfortunately those very broad expressions of objectives or goals have not been reduced either to funding arrangements for the province of Alberta or to a contractual arrangement with the province of Alberta.

MR. NOTLEY: A supplementary question. The funding and contractual arrangements are a two-sided issue; the province has to move as well. I would put a question to the hon. minister in charge of native development. On April 6 the minister indicated, and I quote *Hansard* page 28:

... the history of government operating native ventures in conjunction between government and native ventures has not been too good over the past number of years.

Is the minister in a position to advise the Assembly whether the statement made by the minister on April 6 in fact is a reason for the failure to conclude this agreement between Alberta and DREE with respect to the native funding program?

DR. McCRIMMON: Mr. Speaker, Alberta hasn't turned down an offer by the federal government with respect to DREE. A number of areas have been left open, particularly financing as far as farm development on reserves is concerned. This is wide open, and we have requested the federal government on this but have had no reply.

With respect to the ARDA approach to native economic development, there are a number of areas where an arrangement could be made — and this was said at that meeting — but until we hear back from the federal government, there isn't much we can follow along, except to say that we're prepared to sit down and negotiate with them.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister responsible for Native Affairs. It really relates to the minister's statement that the operation "of native ventures in conjunction between government and native ventures has not been too good over the past number of years". My question is not some of the subagreements that have been signed. Very directly to the minister, is the comment the minister made in this House on April 6 the official policy of the government of Alberta, and does that observation on page 28 of *Hansard* represent the response of the government of Alberta on this particular program?

DR. McCRIMMON: Mr. Speaker, I think the statement I made on April 6 was correct. The history hasn't been that great. However, that doesn't mean to say we preclude the possibility of sitting down in the future and trying again. We're prepared to try time after time to get the federal government to come to reason.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What steps is the minister taking, then, to take the initiative on this particular score? I raise this question in view of the Alberta government's move in the area of a venture capital program of its own, as opposed to this federal program where initiatives are undertaken, the funding is made available on a cost-shared basis, but the native people themselves have ownership and control: a rather important conceptual difference. What initiatives has the Minister responsible for Native Affairs taken, subsequent to the meeting with Mr. De Bane of some months ago, to pursue a new agreement

with Ottawa that could mean many, many millions of dollars for northern native communities that are now suffering unemployment rates of 60 per cent or more?

DR. McCRIMMON: Mr. Speaker, the Alberta government has taken on a venture capital program with the private sector, which we hope will develop over the next number of months. As I said on the 6th, the history over the years hasn't been that successful with the federal programs. Some of these programs have cost the province several million dollars. So if the federal government wishes to sit down and is prepared to sit down, talk business and, as far as DREE, hammer out a program on reserves that has a chance of success, certainly as far as I'm concerned, the province of Alberta is prepared to sit down with them and negotiate.

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

MR. NOTLEY: Mr. Speaker, my final supplementary question to the minister. What initiatives has the minister taken to get an agreement in this area, in view of the fact that we have our own program under way at the moment, but there is a federal program in place? And what assessment has the minister made — perhaps I could ask the minister for his impressions, since that seems to be in order in the question period now, but I'll ask for the assessment — has the minister made of the study undertaken by DREE which shows a success rate of 75 to 80 per cent in our three neighboring provinces, which would indicate that the program has a good deal of merit?

DR. McCRIMMON: Mr. Speaker, to begin with, Mr. De Bane's statement that Alberta is denying northern Indian bands \$50 million by refusing to sign a native economic agreement is not accurate. I think probably this is where the hon. member is taking his information and his questions from. But certainly the statement he gave to the media was not accurate. Mr. De Bane offered \$15 million over three years towards a type of DREE agreement. He came out supposedly to negotiate, but he could not or would not lay any proposition before the representatives of the Alberta government that we could follow up and carry on with. So I think the ball is in Mr. De Bane's court. We're prepared to negotiate. I think it's time he got off his bottom and came out and accomplished something.

Water Quality — Bow River

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Environment. Could the minister indicate if his department will be testing the level of pollution and algae in the Bow River below Calgary this summer?

MR. COOKSON: We work with the department of health and health units as a matter of policy, Mr. Speaker; it's a sort of ongoing program of testing.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate whether his department is monitoring the number of fish in the Bow River below Calgary as a result of the high pollution level — for the last two years?

MR. COOKSON: I'm not a fisherman, Mr. Deputy Speaker, but I understand the fish downstream of the Bow River are getting bigger. I haven't had the time to disprove or prove that.

We don't get involved with that. Perhaps Public Lands and Wildlife might have a comment on the population of fish in a particular stream.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. The fish are getting bigger because, with the pollution in the water, in some cases they're not edible.

I would ask the minister another supplementary question. Does he have any contingency plans, or has he met with the city of Calgary to set up any contingency plans, to control the pollution until such time as they have their pollution equipment installed?

MR. COOKSON: The Member for Bow Valley makes an assumption that there is pollution. We have standards for the BOD content in the streams, and there's no doubt that on occasion the standards we set are exceeded. But in general I have to say that the capacity of the Calgary facility is sufficient that they can hold until the biological oxygen demand level drops below the standards set down for Canada as a whole. So I have to be a little defensive about that.

Emission Monitoring

DR. CARTER: Thank you, Mr. Speaker. My question is to the Minister of Environment as well. What steps have been taken by the department with respect to monitoring and controlling emission levels of Western Co-op Fertilizers in southeast Calgary?

MR. COOKSON: Western Co-op Fertilizers is of course required to submit to us on a weekly or monthly basis the emissions they have a problem with in the areas we monitor. Western Co-op has had some problems in terms of establishing the kind of equipment we think will eventually be necessary to do the job as we would like it. As a result, we have an interim agreement to work with them on a time frame to meet those requirements we think are minimal for the best standards of air quality for health.

DR. CARTER: A supplementary question. A considerable amount of new housing is going into the immediate area this year. Is the minister prepared to site additional monitoring stations in the area?

MR. COOKSON: We work pretty closely with the city, and I understand there is some discussion now about the infringement of the particular area by residential. I think the review of that is now being made and, as I say, we will co-operate with the city in whatever is necessary insofar as monitoring. I know we have several monitoring stations in the area, and we have some limitations in the amount of equipment we have. But certainly if the city asks us to give whatever additional assistance we can, we'd be happy to do that.

Land Acquisition in River Valley

MR. KNAAK: Mr. Speaker, my question is also to the Minister of Environment, and possibly to the Minister of Municipal Affairs for supplemental answering. If I can have the indulgence of the House, I'd like to quote a portion of a report which relates to the question. It

concerns the North Saskatchewan River valley area redevelopment plan, proposed by-law 6353 of the city of Edmonton. The *Edmonton Journal* apparently quoted Mr. Bill Gelnay as follows: City council made a firm commitment in 1975 to acquire all property in the river valley and has been supported by the regional planning commission and the provincial Environment department.

SOME HON. MEMBERS: Question.

MR. KNAAK: The second quote — I'm still asking for the indulgence of the House . . .

DR. BUCK: Mr. Speaker, under the rules of this House, I believe we cannot quote newspapers in the question period or in this Assembly.

MR. DEPUTY SPEAKER: Perhaps the hon. member could [inaudible].

MR. KNAAK: Thank you, Mr. Speaker. The second one isn't from a newspaper, but I must quote it in order to ask the question because the question is whether they support this policy or not.

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: In actual fact, the Member for Clover Bar is correct in that quotes from newspapers are not accepted as part of a question period presentation.

MR. KNAAK: Thank you, Mr. Speaker. I didn't hear your comment; I think your mike wasn't on.
But my question is . . . [interjections]

MR. DEPUTY SPEAKER: In actual fact, the Member for Clover Bar is correct. Quotations from newspapers should not form part of the question period questions.

MR. KNAAK: Thank you, Mr. Speaker. In brief, the city of Edmonton, both in its report called *The Information Report*, on page 4 . . .

AN HON. MEMBER: Come on, Peter. Question.

MR. KNAAK: . . . states that this government supports its policy and will support its funding needs to expropriate the homes and the lands in the river valley. Does this government support this policy, and is this government prepared to fund the some \$120 million estimated?

MR. COOKSON: Mr. Speaker, I guess the short answers are yes and no. Yes to the first part, which deals with acquisition of river valley, if that's the wish of the city itself; no to the second part, which deals with expropriation and funding.

Perhaps I could just broaden my comments a little to say that in 1975 we entered into an agreement with the city to establish the Capital City Park which, in retrospect now, I thought was one of the most excellent moves our government could make with regard to preservation of those areas. Subsequently we arrived at an agreement to define those boundaries, both with regard to the Capital City Park RDA and to a water conservation area. I make that distinction because in the agreement we did agree to fund to some degree purchase of lands by the city, provided they were in the water conservation area.

At that time we estimated the cost for that as something in the area of \$5 million.

No agreement was made to acquire any of the property outside that specific water conservation area on behalf of the province, however, unless a special arrangement was made with the city. My understanding is that perhaps one or two of those special arrangements have been made over the years, and I guess one would have to determine in any way whether the present negotiation going on between the city and the property owners falls within or outside the ambit of that agreement.

MR. KNAAK: Mr. Speaker, just for clarification. The way I understand it, the proposed by-law includes all the river valley and the ravines. The question is: has this government agreed to support the city of Edmonton in the city's policy to expropriate all land along the river and all ravines within the city boundaries?

MR. COOKSON: No we haven't, Mr. Speaker, nor do we favor expropriation. We'd much rather deal with acquisition of land over a period of time without the threat of expropriation. It's something the city has to make in their own judgment. Insofar as Environment is concerned, and in terms of the original agreement, there has been no guarantee of involvement at all in areas that fall outside the water conservation area, with the exception of one or two that have taken place since 1978.

MR. KNAAK: Can the minister advise whether in fact there has been any approach by the city of Edmonton with respect to the funding of the expanded acquisition program? I'm not now asking the question with respect to what had been agreed in that limited form; I'm asking whether the city has approached the minister with respect to the possibility of funding the expanded expropriation.

MR. COOKSON: Mr. Speaker, I know that members in the Legislature have asked on occasion if we as a government would consider expanding the boundaries, but so far as I know, in February 1978 the agreement with regard to the exact boundaries of the original Capital City Park, including the water conservation area, was finalized. On occasion the city may have asked us to expand those boundaries — I could check — but if they have, so far as I know we haven't acquiesced to that request.

MR. KNAAK: A last supplementary to the Provincial Treasurer, Mr. Speaker. There was a suggestion in the report accompanying the by-law that a possible source of funding is the Heritage Savings Trust Fund. Has any approach been made to the Provincial Treasurer with the possibility of funding this large expropriation out of the Heritage Savings Trust Fund?

MR. HYNDMAN: Mr. Speaker, no approach has been made and, if an approach were made, I would not recommend it.

ORDERS OF THE DAY

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

[Mr. Purdy in the Chair]

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

Department of Tourism and Small Business

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

MR. ADAIR: Yes, Mr. Chairman, I have. I would like to make a few remarks about the Department of Tourism and Small Business. I'm going to start with Tourism and indicate to you that tourism has become the third largest industry in Alberta. Indeed it's a very positive, successful, and dynamic industry. Our projections, based on this last year, might be \$1.3 billion. That'll be up 9 per cent from last year.

It's really looking quite good right now, based on a number of things that happened: Homecoming 1980; a part of the 75th Anniversary last year was extremely successful. Some 940 homecomings took place in the province, and I'm quite sure we'll probably see homecomings happening every three to five years as well. It's an excellent opportunity for people to bring residents home to Alberta.

Stamp Around Alberta concluded last year. That too was extremely successful and a part of the increase in the tourism industry. I should point out that when we struck the Stamp Around Alberta program, under the Hon. Bob Dowling at that time, initially it was hoped that we would be distributing somewhere around 35,000 medallions. At this time we have distributed over 88,000, and there are still some passports coming in.

I would like to apologize to a number of the citizens who have not yet got their passports back or their medallions. We've had some job indeed to try to keep up to the requests for the medallions. We've had to reorder on three occasions. They will be coming if you'll just bear with us.

On the international marketing scene, with the Stamp Around Alberta program coming to completion, and our move now to the international marketing area, it's a highly competitive market place. We feel that we have the opportunity, the time is right now, and it's essential for us to get into that area. We're going to be using a product-specific approach, dealing primarily in products such as outfitting, fly-in fishing, trail riding, country vacations, conventions, seminars, and downhill and cross-country winter skiing.

The main markets we're aiming at are the U.K., continental Europe, the United States — primarily the California market — the Pacific Rim, and of course other parts of Canada as well. We work very closely with the Travel Industry Association of Alberta. Their president this year, Jack Sturges, and the managing director, Jill Nish, have been working very closely with our department and are doing an excellent job indeed. There is an increase in the budget for that particular organization this year.

One area where I hope they would make an effort to try to involve all the various aspects of the tourism industry is the hospitality industry, the hotel/motel and travel part, as well as the various organizations they have which are involved in the total tourism picture. One new part of the program and the funds that will be going to the Travel Industry Association is: this year we plan to provide to them funds that previously had been used within the department to assist by printing lure literature for the various zones. Those funds will be going directly

to the industry so they in turn can print the lure literature themselves. As I said a moment ago, previously that was handled within the department.

In the marketing aspects of the department, a very important promotional tool for us, and one of recent memory, was the British Airways inaugural flight that landed in Edmonton on April 23, an example of the kind of work offered by Travel Alberta in the department by way of assistance to British Airways, to see international services provided by British Airways to Edmonton, Calgary, and of course Vancouver as well, using wide-body 747s. It will provide us with additional opportunities to promote Alberta internationally. We have a problem with that particular point, because internationally we're known primarily as Banff, Jasper, Edmonton, and Calgary.

That leads me to the alternate destination area program and where we're going in that particular area, because there is a need to assure that we have destination areas other than the four mentioned. Obviously in Drumheller we have the paleontological museum, the Dinosaur Provincial Park designated by UNESCO; and the future of the Crowsnest Pass historical area as well, the possibilities in west-central Alberta, the Lakeland and the land of the mighty Peace up in my home constituency, and the entire region as well.

There was some discussion this afternoon relative to DREE. We have made attempts to put in place a tourism subagreement. We've had some discussions with the hon. Mr. De Bane, the federal minister. We have attempted to become one of the provinces that have signed — there are three at this particular time that have not. It's my understanding that Ontario, Saskatchewan, and Alberta have not completed tourism subagreements. At the meeting we had with the hon. Mr. De Bane, he indicated to us that he was prepared to enter into a tourism subagreement as long as it was based on isolated areas and disadvantaged people. We indicated that we could probably work out something in that area, but it would be small compared to what we were hoping to do in the tourism area within the entire province, and that we already had in place an agreement called the Alberta North Agreement that could handle the isolated areas and disadvantaged people. We've had some difficulty trying to rationalize how Whistler in B.C. is considered isolated and disadvantaged, because it was part of an agreement signed with the province of British Columbia just recently by the DREE people. My colleague the hon. Dick Johnston certainly has been working very, very hard in that area to try to get some avenues opened so we can sit down and discuss the possibilities of both the tourism subagreement and the extension of the Alberta North Agreement that is now in place.

In that particular Alberta North Agreement, it should be explained that there are five elements. One, called the human development sector, has within it examples of human development: opportunity cores, school lunch program, and employee relocation and counselling services. Program No. 2, community services and facilities: water and sewer, housing, land tenure, and gas pipelines. Program No. 3 is related to treaty Indians, and is funded jointly by DREE and the Department of Indian Affairs and Northern Development. Program 4, social adjustments and professional adjustments: native outreach and employee counselling. Program No. 5: community economic development. Examples of that are rural development projects, research and feasibility studies, and community management services. That program has been in place since 1977, and will be completed in 1982. So we're

also attempting to include within that some extension to that service.

I should also point out that we are a part of a partnership formed in 1977 called the Canada west partnership. I point out the date so it's consistent with the timing of that. That's the Yukon, the Northwest Territories, B.C., and Alberta working collectively to promote tourism in the western part of Canada on the international scene.

One area in small business that I would like to point out to you is the business counselling service we have. It's a high priority within the division. To date we've had over 15,000 requests for assistance on a one to one counselling basis. I should point out that at the moment we are somewhat swamped in that particular area, and have had to go to the point of hiring outside counsellors, as well as within the department, to try to handle the many requests we get from the business community. Also in small business, we have the management assistance program in co-operation with the chambers of commerce, both local and provincial. This year we intend to have some 18 rural programs and two special programs. The special programs will be for small contractors and food processors. That will involve the private sector consulting services that in fact assist departmental staff in conducting the management assistance program. There are some 86 firms in the province that provide consulting services, and to date we've used some 30.

In the industrial land program, community profiles, site location assistance in co-operation with the Department of Economic Development, Alberta Housing and Public Works, and the municipalities, and the industrial land inventories, the financial assistance to municipalities, certainly there's no question that that offers help to the municipalities to attract prospective businesses to their communities. We have some 15 applications on hand for the industrial land program, and have helped some 60 communities over the last three years since the program began. We also offer small business guides. We have four new ones that are in the planning and printing stage. The new ones will be the second edition of services to business operating a construction business, bookkeeping for a small business, and franchising.

Within the small business division we also have seven rural projects where we assist the communities to help attract businesses to consolidate what they are attempting to do in their areas. They cover the areas of Lac La Biche, Crowsnest Pass, Mundare, Buffalo Lake, the south shore of Lesser Slave Lake, McLennan, and High Level. Just recently we created some assistance for the Lakeland industrial committee in the Grande Centre-Cold Lake-Bonnyville area. We will also be working with that industrial development committee. And very shortly we'll be opening an office for a business analyst and secretary in the Bonnyville-Cold Lake region.

In the northern development branch we have the responsibilities to assist the Northern Alberta Development Council, chaired by my colleague the MLA for Grande Prairie. The responsibility of the group to assist in the '80s with the Alberta north conference, which was held in Grande Prairie last November ... It should be pointed out that because of that particular conference having been concluded in last year's budget, the \$150,000 plus or minus costs of last year will not be in this year's budget. There appears to be a deficit or minus position in the budget, but actually it's about a 17 per cent increase in what the northern development branch will be doing for this year. As a council, they will carry out seven public meetings this year. The branch also assists in the opera-

tion and negotiations for the extension to the Alberta North Agreement.

With those comments, Mr. Chairman, I'll take questions.

MR. GOGO: Thank you very much, Mr. Chairman. I'd like to raise some questions with regard to comments by the minister. Perhaps the minister could answer at the conclusion, or after he's heard other members.

First of all, if I heard him right, the minister makes reference to the fact that tourism is our third largest industry in the province of Alberta. The figure I heard mentioned was \$1.3 billion, if that was accurate. I immediately think of other businesses and industries across Canada, and relate the investment that's necessary to procure that kind of return. Looking at the estimates, I have some difficulty in identifying in a definitive way what the minister's department directly spends in producing that. I'm having some difficulty separating the \$11.6 billion between tourism and small business.

Perhaps the minister can respond later on, Mr. Chairman, with regard to what his department is spending to produce \$1.3 billion. If it is as I suspect, then obviously it's a lesson to government that you don't have to spend very much money in this province to produce tremendous revenue. That indeed would be a precedent for any government. I'd like him to respond to that.

Secondly, Mr. Chairman, I've heard various figures as to the source of the tourists who come and spend all this money. He made comments relative to Banff and Jasper, and that internationally we seem to be known through those two centres. Well certainly that's true in terms of the dollars spent by certain people in the world. If he has those figures available, I wonder if he could identify not just by border crossings, which I think are very easily identifiable, continental visitors coming into Alberta primarily from America, other parts of Canada, Europe and, if he can, specifically the Orient.

Thirdly, Mr. Chairman, I heard on the news, just last evening I think, of a group going from Calgary to England and, I think, continental Europe, either propagating or spreading the message of the Calgary Stampede and Exhibition Association. I believe there was reference in that to the minister's department. If so, I'd appreciate his commenting on how much of that \$300,000 the government is prepared to commit toward that, if these estimates are passed?

Continuing with tourism, Mr. Chairman, I have long believed — and I don't think it's isolated — that comments have been made about the type and calibre of staff, and the handling of tourists in various businesses in Canada relative to America. I don't want to appear trite and say things about the various courteous services one gets in the northwestern states in restaurants and hotels, and the hot meals — there has been some criticism that standards in Alberta aren't all that high. I'd appreciate the minister commenting on that point.

My specific question is: has the minister, in collaboration with his colleague the Minister of Advanced Education and Manpower, encouraged programs for training what I would call the ambassadors of Alberta, receiving visitors from across the world into Alberta, in such matters as restaurants, hotels, tourist centres, the bars, and so on? It seems to me there is a grand opportunity for businesses in Alberta to encourage visitors to return. We have all kinds of benefits, such as no sales tax. The minister may want to comment on that in view of what British Columbia is now doing with its hotel rates. It's

not difficult to get people to come once; the great difficulty is getting them to return. It would seem to me a wise investment if we assisted the Alberta Hotel Association and the tourist associations in the training of people.

Along the same line, Mr. Chairman, in zone one in southern Alberta we have the tourist and convention association. I'm sure the minister would agree: an excellent president and staff. It's made up primarily of volunteers who are businessmen who, in no small way, have helped produce this \$1.3 billion. As I recall, only a year ago we had U.S. visitors arriving through Coutts into Alberta. Sixty-odd miles down the road they arrived in Lethbridge, saw the sign Speed Limit 80, and promptly tried to do 80. Of course it was km, and 60 meant km, and there were a few altercations with the law. I think that was resolved very quickly by someone having the courtesy to talk to Canada Immigration with permission to put a little information bureau at the immigration post. That shows how quickly it can respond.

The minister didn't mention specifically the tourist bureaus and information centres we have across the province. One I think of particularly is at Walsh or Irvine in the southeast corner, another at Macleod. Mr. Minister, they do just a tremendous job in making people feel welcome in our province. I would like to congratulate those people.

There are two other areas with regard to small business. Mr. Chairman, if there were one thing small businessmen in this province would appreciate it would be some degree of deregulation. Bill 37, The Workers' Compensation Act, 1981, introduced in the House today — small businessmen are continually besieged by not only additional paperwork but regulating that makes it tougher and tougher. I would be interested if the minister has had any comment relative to the announcement of the Minister of Labour a week ago about increasing the minimum wage. Many tourist organizations and small businesses in this province employ school students. Has the minister had any indication that an increase in the minimum wage would be a hardship?

Finally, Mr. Chairman, as the minister responsible for the Alberta Opportunity Company — we haven't got to those estimates yet. It seems to me that the heritage fund that lends money to AOC lends at a given rate. My understanding is that it's presently the policy of this government that lending by AOC goes through a variety of ranges, many of them below the cost of money to the Opportunity Company. I've always been perplexed how that's possible, how by statute or regulation of this government we compel an agency of government, such as AOC, to lend money at a lower rate than what that agency can borrow it at. One would presuppose that they would use an old government technique and charge high enough to others to make up the difference so that overall it would not only break even but show a little profit.

With those questions, Mr. Chairman, I want to close with the comment that I've done a fair amount of traveling in Alberta. To me the Department of Tourism and Small Business is concerned with many small businessmen in this province, and I've heard many favorable comments in the Lethbridge area in particular. There's a fellow named Jeff Motherwell who in my opinion has done an excellent job in visiting small businessmen and giving freely of his time. He is to be congratulated.

Thank you very much, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Does the hon. minister care to respond to the questions individually? That's the end of the list.

MR. ADAIR: Mr. Chairman, if I might respond to the hon. member from Lethbridge, if you go to Vote 2 and take the \$7,486 million, basically that will cover the tourism side of the departmental expenditures of \$11.6 million. When you take total services in there, \$3 million plus is for small business, \$7.4 million is for tourism, and \$1.081 million is for northern development. That covers the total.

There's no question that we do rely to a great extent on the volunteers in this province and on the industry itself. That's one of the areas where the private sector business has been doing extremely well, with some assistance from the government.

Your comment relative to the question about the Calgary promotion, that I understand was on television last night, was in relation to a joint project between the Calgary Tourist & Convention Association, British Airways and, to a very small part, the government of Alberta. I believe our funding on that one is \$50,000 — I stand to be corrected; it may be \$35,000. One of the aspects of that particular journey will be the fact that British Airways will be bringing in, I believe, 450 of their travel agents to London. We will have the opportunity to make a presentation on behalf of the government of Alberta and what attributes we as a province have relative to tourism, to educate — if I can use that term — the agents when they're booking sales for western Canada, in particular Alberta.

On your question relative to whether we're working with the Department of Advanced Education and Manpower on training programs, yes we are. I should point out that we already have a program, small as it may be, relative to grants and scholarships to NAIT, SAIT, Grant MacEwan, and Mount Royal College, and the Lethbridge college is included in that; basically hospitality oriented relative to some segment of the tourism industry. As a matter of fact, we're hoping to increase that area over the next couple of years. One request we have had from the hospitality industry is to consider as a government the possibilities of a training centre. I have indicated to various associations I have spoken to that if they would come back to us with a proposal, we would be prepared to work with them. But it would be at their initiative, not a totally funded government operation. They are putting some recommendations together, and we have had some discussions with my colleague in the Department of Advanced Education and Manpower as well.

You mentioned zone one. Zone one, aptly named, is one of the leaders in the Travel Industry Association. I say that in the sense that there are 14 of them. They're all leaders, but zone one is one of them and has had a very efficient organization in the past and at present as well. They do a tremendous job.

You talked about the ports of entry, the travel information centres we have around the province. In particular you mentioned Walsh. There's one south at Milk River. We have one at St. Mary's, just across the border into Montana. We have one at Lloydminster, at Provost — I'll get caught if I try naming them — one at Banff, Jasper, Hythe. As yet we don't have one at the Northwest Territories border, but hopefully someday we will with the good paving we have now. We now have completed the paving between the 49th and 60th parallels. In the interests of the tourists from other than Alberta, that's an

excellent opportunity to travel through the province and, I guess you could bluntly say, buy your way up into the Northwest Territories and buy your way back and, with that, enjoy a happy experience of visiting some of the best parts of this fine province and the Northwest Territories as well.

In the area of deregulation, my colleague the hon. Minister of Consumer and Corporate Affairs has been working very effectively of late in repealing some of the regulations. Certainly we're strongly supporting that direction and look forward to more — if I can use the term — deregulation in that area.

Relative to minimum wage, I might say at this point that I've had no comments in any response to that in any way. I would say, though, that prior to that there was some concern as to how the hospitality industry may work. In some provinces they work on a split minimum wage, with the lower level based to some degree on tips that may be provided to the employee as well. We have not done that at this particular point.

You mentioned the fact that the Alberta Opportunity Company receives its funding from the Heritage Savings Trust Fund and presently they are in a position where they buy money at one rate and, in essence, "sell it" at a lower rate. That's one we are presently negotiating with the Provincial Treasurer and our other colleagues in government to see if we can arrive at some different position, because there isn't a company in the world that can exist for any length of time buying at a higher rate and selling at a lower rate. At the moment that particular opportunity provides us with a chance to indicate another concern expressed on our behalf for the small business community in this province. I hope that has answered the main questions the hon. member asked.

MR. GOGO: Mr. Chairman, if I could just indicate to the minister ... I asked as to the number of visitors into Alberta, and I recognize it could be technical. If the minister doesn't have it available, by all means I could wait for it.

The other final comment: I note under the minister's portfolio his responsibility for the Northern Alberta Development Council. At this point I'd like to say that I've had some opportunity to meet in an official capacity with the council, chaired by the Member for Grande Prairie. For those who think tourism and small business is all the department is about, I'd like to put on record that it's about many other matters. I was pleased to see the Northern Alberta Development Council conclude a study on health needs of northern Alberta, perhaps the largest portion of our province. I was very impressed with their findings. They indicated many social problems that exist, many medical and dental needs in the northern part of the province. So for members who think Tourism and Small Business exists only for dollar bills and not social needs, I'd like to point out that certainly my understanding has been changed. The Northern Alberta Development Council, under the hon. Member for Grande Prairie reporting to the minister, has carried out what I believe is a very special need for citizens of Alberta. I'm hopeful that many other departments will read and pay attention to those studies.

Thanks very much.

MR. ADAIR: Through the Chair to the hon. member, thanks for your note, sir.

I have the figures at my fingertips. The question was relative to percentages of tourists who come to the prov-

ince of Alberta. At the present time roughly 60 per cent are Canadian, 20 per cent are from the United States, 5 per cent are from the Pacific Rim, and 15 per cent are from the United Kingdom and continental Europe. Basically that is the mix of tourists we have now.

I should point out that particularly within the department we feel there is no better time than right now to begin attracting international tourists. We have Air Canada direct flights, British Air direct flights, the exchange value on the dollar, plus the kinds of features we have to offer not only in Edmonton, Calgary, Banff, and Jasper, but in the Cypress Hills area, the Drumheller valley, the coal branch, the lakeland country — I'll get into trouble for missing somebody's name when I say this — the Peace River country, Fort McMurray, or wherever. We have that opportunity now and need to do some work in the destination area program.

I didn't mention a little earlier that we spent a fair amount of time trying to get the DREE subagreement in place, which would have assisted us in the destination area program. That appears to either have fallen by the wayside or at least be slowed down. So I have asked the department to begin to put together a position paper on tourism for the next 20 years — call it tourism 2000, tourism 20, or whatever you want — that will give us some direction relative to alternate destination areas and the direction of tourism for this province in the next 20 years. We have an opportunity right now to really solidify what is now a very strong number three position in this province working with the industry and the people of Alberta.

MR. NOTLEY: Mr. Chairman, I just want to make . . . Is there a supplementary question or . . . Go ahead.

MR. DEPUTY CHAIRMAN: Is there a supplementary in relation to the minister's answer? Okay.

MRS. CHICHAK: Thank you, Mr. Chairman. I just want to follow a point raised by the hon. Member for Lethbridge West with regard to apprenticeship in the in-service educational program for the tourist industry. I didn't hear whether there was any clarification and intention on that. As I'm sure the hon. minister is aware, apprenticeship is a requirement in continental Europe. I think they have moved a long way in the service industry providing the kind of service in hotels and restaurants that is perhaps second to none. This has been a real criticism here, I think probably justly so in many areas. I apologize if the hon. minister has answered the question, but I hope he might clarify that.

MR. ADAIR: Mr. Chairman, I may not have answered it clearly enough to cover the point. The question was relative to whether we were working with the hon. Minister of Advanced Education and Manpower in any training program areas. I indicated yes, and that we had begun scholarship programs at NAIT, SAIT, Grant MacEwan, Mount Royal College, and Lethbridge Community College relative to the hospitality and tourism field. Small as they may be, they're a start in recognition of that.

I also mentioned that the industry had asked us to consider the possibility of a training school and that we initially indicated we weren't prepared to build a training school on our own but were prepared to look with them, at their initiative, at the provision of something along that line which would see students coming out of that and going into various places involved in the hospitality and

tourism field across this province. We think that's the way to go right now, and we're working and waiting for some suggestions from them. We've had some meetings with the hon. Minister of Advanced Education and Manpower as to where we may be able to tie their recommendations into the system.

DR. PAPROSKI: Mr. Chairman, a supplementary, if I may, on that very important point that's been raised again, with the permission of the hon. member. It's clearly recognized that the hospitality industry is rapidly becoming one of the most important industries right around the world. I'm sure the minister and members of the Legislature recognize this to the extent that as a matter of fact it will probably be one of the most important from an economic point of view, even surpassing real estate. Real estate is number one right now and hospitality is number two, as I understand it.

Zeroing in on that specific point of staffing for the hospitality industry and the critical shortage we in this province have — that is not peculiar to Alberta, and we recognize that. I raised this question last year. I wonder if the minister could give us assurance, in addition to what he said already, that he's prepared to assist in a training school development and that the quantity of people who will go through NAIT, SAIT, and so forth will be augmented. Because there is a critical shortage — I'm sure the minister is aware of that — and something could be done besides scholarships to assist more members of our society to go into this area, which is so important.

MR. ADAIR: Mr. Chairman, I don't know what more I can say other than the the department recognizes the industry is concerned about that. Obviously there is a shortage of staff throughout this province. One point we discussed with the industry when we were talking about the possibility of a school was getting confirmation from the industry that they would recognize graduates of any school or facility training program that may be in place for the industry, and having that recognition they would pay them accordingly. That recognition would obviously be recognizing training programs they have completed and achieved; then they would move up in the organization.

I think it's important that we, the government and the department, work together with the industry to prepare that kind of program and offer that kind of recognition to those who will take the training. Unless there's an incentive for going into that particular program when the trainee gets out, it's going to be very difficult to get anyone to partake of the kind of time involved to go a little bit further. There's no question about it. You can go to continental Europe and to other areas where they have training schools, and the effect is there. There are no ands, ifs, or buts. They do in fact go right on into industry, and that's the kind of thing we would like to work out with the industry. I might say we've got a good relationship with the industry at this particular point in trying to work out some programs relative to either training or a training facility.

MR. NOTLEY: Mr. Chairman, dealing with the estimates of the Department of Tourism and Small Business, I want to touch on four areas. Perhaps I might just begin with some observations, and perhaps a question or two, on tourism. I think we all share the enthusiasm of the Minister of Tourism and Small Business in this province. The figure of the third industry is an impressive demon-

stration of the potential of tourism in Alberta. There's no question about that. But I would be a little less than honest if I didn't stand in my place in this committee, Mr. Chairman, and say that while the travel industry has come a long way and is now a major part of any long-term development strategy for this province, I'm not entirely convinced that the future is as bright as some may suggest. Certainly as far as the spots that everybody knows, Banff and Jasper, there's no doubt that the tourist potential of these two localities — and to a lesser extent places like Waterton — is very, very high and will continue to be overwhelmingly high. The mountain potential of the tourist industry in this province will always be a major economic factor.

However, what troubles me, Mr. Minister, is the potential for tourism in other parts of the province. I like the alternate destination program. I think that's a very worthwhile initiative, because we have a vast province with a variety of extremely impressive tourist potential that many Albertans aren't aware of. It's always a bit disconcerting to run into people, especially in our two major cities, who somehow think that the Peace River country is the next quarter section away from Santa Claus and the North Pole and never make it north. I think we have to stress the potential within the province, and you've begun to do that. But the reason I would express some concern about the future is that it strikes me that while higher energy prices offer more potential for travelling within the province — because people won't be able to go as far, to get in their vehicle and go 1,000, 2,000 miles to California or something — nevertheless that it is going to have an impact not on the major centres, Banff, Jasper, or Waterton Lakes, but unless we begin to address it now with a series of programs, it's going to have a rather adverse impact on the less well-known parts of our tourist potential in Alberta. I think we could do a number of things. The alternative destination program is a good one. I'd be interested in the minister taking a few minutes perhaps to discuss the steps he's taken in conjunction with his colleague the Minister of Recreation and Parks, as well as the Minister of Culture.

One of the things that has always struck me about Alberta is that we have not really seized enough upon the tourist potential of our history. To a certain extent we're doing that now with the Crownsnest Pass, but think of the coal branch area south of Edson. For 50 years literally tens of thousands of people lived and died in that area of the province. When it was closed down in the late '50s, there was a potential to preserve at least one of those towns. The Americans do it all the time. Across the border in B.C. Bill Bennett developed Barkerville into a major tourist potential in the central part of British Columbia. People come from all over to go through Barkerville. We had towns in the coal branch. I remember one of the first times I went down there, about 1961 or '62. Mercoal was still there and Luscar, a few miles down the road, was still intact. I still remember going through some of the old miners' shacks, one particular shack with the walls papered with the IWW paper from way back about 1906, '08, or '10, or whenever it was. [interjection]

Beg your pardon. I should bring it to educate the Member for Edmonton Glengarry, although I'm afraid that if I gave it to him, he would believe it and would become an IWW member.

But the point I want to make, Mr. Minister, is that here were communities that had a tremendous tourist potential. Of course we didn't see that, so they were

allowed to be destroyed. As a matter of fact, I think in the case of Luscar the Member for Edmonton Glengarry must have had some advance information, because the army used it for artillery practice. They literally blew the thing out of existence, but in the process lost a really beautiful opportunity, which I know the Americans would be making use of if it was in Nevada, Wyoming, or some of these places in the United States. I'm not suggesting that we can reconstruct a coal branch town, but I do think that preservation of our history is a very crucial part of any development program for tourism. We have some obvious areas outside of Banff and Jasper in this province. We have the Peace River area, for example. We have Fort Vermilion, which I think has enormous potential not only as a beautiful location but also because of the history. So I'd like to get some response from the minister on how we are going to tie in perhaps a little greater stress on the history of our province with the tourist potential of Alberta.

I want to deal with three other areas rather more briefly. The Alberta Opportunity Company has done good work over the last few years. I don't think any of the members in this House regret our support. I believe it was virtually unanimous support from both sides of the House when the Alberta Opportunity Company was established in 1972. I would ask the minister, though, what he views as the future lending policy of the Opportunity Company? We've had urban members in the House come before the heritage trust fund committee and say there should be no preference for rural areas, that the interest rate should be identical. Of course that wasn't part of the original concept. The original concept was a lender of last resort to deliberately stimulate decentralization of industry. I think that should continue to be the objective of the Alberta Opportunity Company, but it's obvious that some members in this House think otherwise and think there should be a consistent interest rate policy. It would be useful in your estimates, Mr. Minister, that you share with the members of the committee the government's view as to the interest rate policy of the Alberta Opportunity Company, whether you would see significant expansion of lending through the Opportunity Company in the future. There's no doubt about it. With the Bank of Canada interest rate going up and every evidence that tight and very expensive money is going to be with us for some time, it seems to me we have to use whatever vehicles we have in place in this province as effectively as we can. So I'd like you to take a few minutes to expand upon that.

I'm sorry, I left the House for a few minutes when the minister was talking about the Northern Alberta Development Council. The figures I have here would lead me to conclude that there's a reduction, although I just briefly heard the minister talk about a 17 per cent increase. I apologize for not being in when he mentioned that, but I would like to find out how 4.7 per cent on the negative side can become 17 per cent on the plus side.

Beyond that, I'd like to talk for a minute or two about what the government views as the future for the northern development council, because there are different options. Perhaps the Member for Grande Prairie would be in a position to supplement this. I know that some years ago the old Alberta Development Council was summarily, should I say, given the boot, or at least replaced, and we had new people appointed. Having had a chance to chat with people who were formerly members — but I won't go into that. That's ancient history now. I think what is more important, Mr. Minister, is the question of whether

we have given any thought to changing the concept of the development council, because at the moment it's essentially an advocate role, and doing some useful work I think. No question about that.

But should we be increasing the power of the northern development council and making it somewhat similar to the concept in Saskatchewan of a Department of Northern Saskatchewan where there is statutory authority to make certain moves dealing with departments? I have the feeling that notwithstanding the northern development council, the departments are so stratified in their approach that somehow the council is out there on the side and can make these recommendations, but it's tough to get the kind of integration and co-ordination at the departmental level that is going to be necessary if development programs for the north are going to be successful.

Finally, I would just make a pitch that I think has to be made here, in the Department of Transportation, and elsewhere, because it ties in with tourism. We have to do more on our roads. We just have to get some of these roads finished. It isn't good enough to have the designated woods and water route, which the minister knows as well as I do because no one has worked harder on that route than he has as a member of this House. We've got to get the darned road finished. It looks like we may get the last bit of it done this year, if we're lucky. But that's almost 10 years. We just have to do something about our roads if we're going to develop and strengthen the tourist industry.

That ties in very definitely with northern development as well, Mr. Chairman. This is the time when the slowdown in oil activity — I intend to make the same submission when we get to the Department of Transportation, but I want to make it now because we have the member who's chairman of the northern development council. This is the time to get this infrastructure in place. We've got to do it, and we know we've got to do it. Let's push that ahead. I can understand that you can't increase the budget of the highways department if you've got megaprojects under way and you've got everybody just going all out. But we've got some latitude at the moment. In talking privately to some of the people in the department in northern Alberta, they're suggesting that this is a crucial time for us to push some of these projects ahead and get these roads. As the Member for Grande Prairie knows, as the minister and I know, they are continuing sources of representation, sometimes of embarrassment, always of controversy. Let's get them done. Let's push ahead.

With respect to the budget of the Minister of Transportation, it's got to be more now, while we have a slowdown in the oil patch. Let's push it ahead. We've got to hire engineering firms on a day by day basis, do more day labor contracts through the department. We can do that. Let's get on with it, because I can't think of a more valuable thing we can do to lay the groundwork for a stronger north than to make sure our transportation network is in place.

MR. ADAIR: Mr. Chairman, the hon. Member for Spirit River-Fairview made a number of comments. I'm not quite sure of the context of: the future is not so bright as I may suggest. I guess that's the difference between an optimist and a pessimist. I'll leave it at that.

I was talking earlier about the four centres: Edmonton, Calgary, Banff, and Jasper. That is really what Alberta is to the international traveller, and we have a role to play in changing that. Certainly I indicated that we are going

to make an effort to do that. I talked about the fact that we would be looking at alternative destination areas and mentioned that as soon as I started to name them I was going to get into trouble somewhere; whether it was the coal branch, Athabasca — I'm going to pick up a few I hadn't thought of at that particular time — the Athabasca-Lac La Biche area, the Fort Vermilion area, which is in the middle of my constituency and is one of the oldest communities in the province of Alberta; or whether it's Red Deer, one of the major up and coming convention centres; Medicine Hat, Lethbridge, the same way.

We recently completed a number of studies that we are now reviewing interdepartmentally and going back to the communities to talk about the resources we have now established. The idea behind that was to give us an inventory resource of what was in the area and what we suggest we may be able to do, through the consultants, and then to sit down with the local communities and industry in the area and see how best we can begin to develop them. There isn't any question that we have some of the finest opportunities in this province, whether in the coal branch or at Athabasca or, for example, at Indian Cabins, the little shop on the way into the Northwest Territories, or Fort Saskatchewan. I'm trying to pick up the members' places that I've missed along the way.

Each community has an opportunity to be a major tourist destination area, and that will happen only as a result of the efforts of the people in those communities. That has happened as a result of the Stamp Around Alberta program. I don't think anyone in this province ever anticipated the kind of success we achieved in that program, from both sides; not just from me as a visitor going down to Nacmine, but from the resident of Nacmine talking to me about his or her area, and their recognition of what they had and getting some pride in exactly what we have. We take that for granted. I think as Albertans we are starting to mature to the point where we have some pride in what we have and what we want to tell the people about, so let's see if we can get the people here.

You mentioned the Alberta Opportunity Company. I should mention at this point that the two people most responsible — the chairman, Mr. Bob Chapman, and the managing director, Mr. Roy Parker — are doing just an excellent job. I think they have a fairly difficult job right now in this area of higher interest rates. They are a lender of last resort. You were asking me for comments as to what my concept of AOC would be in the immediate future — at least I wrote down "in the immediate future", because I'm not sure what the long term will be. Certainly it's not written in stone. It could be changed, but if I have any direction in it right now, the direction I have been given by my colleagues is that it is a lender of last resort, that it works from a base rate of 12 down to as low as 10 and up to as high as 15. It was in fact structured to entice the lending institutions to get further away from the metropolitan centres and to become involved in financial lending. I think that has worked to a great degree, and we hope it will continue to work. The pressures, though, are on the staff of the Alberta Opportunity Company right now because of the higher interest rates and because of that limit we have at the moment.

There may be some changes. We're looking at what we're going to do relative to the question raised by the hon. Member for Lethbridge West. Right at the moment we're in the position of "buying" our money from the Heritage Savings Trust Fund at a higher rate than we're

lending it out. That can happen by two means. Right in the estimates we have an appropriation where we provide the money to cover the interest on that. Obviously that gives an indication that this government is concerned for the small businessmen and, as a result of that \$4.95 million, is in fact helping them. We hope that will continue and we might round off the edges in that area, if I can use that term.

You talked about the rural/urban. That hasn't changed, nor will it change as far as I'm concerned. That was part of what I said a minute ago. The base rate is 12: for small communities, small business, down as low as 10 per cent; if it's metropolitan centres, it's 15 per cent. Even at today's rates that's a major advantage to that person, who is eligible to receive funds as an applicant to a lender of last resort; it's still a major benefit to that particular company. I would anticipate that would not change in the immediate future. As I said, it's not written in stone, but I would certainly support retaining that particular concept. It has been successful. It has directed some of the financial institutions out into the rural areas to some degree, to look at the possibility of assisting in the development, diversification, and decentralization of business and industry in the province.

[Mr. Appleby in the Chair]

You talked about the northern development council. I'm not sure what the term "given the boot" meant. It wasn't active when we came in, and of course we revitalized it, if I can say that. I happened to be the minister at that particular time. We appointed a new group of private citizens from the north to assist us in going around being the particular group people could talk to. It wasn't that you couldn't talk to your MLA or to government, but through the Northern Alberta Development Council you could talk to someone who was not government. They did an excellent job indeed, and I'm extremely proud of those who were on the council and those who are. I would ask the MLA for Grande Prairie, as chairman, to possibly be prepared to supplement any comments I may make.

You mentioned the possibility of following the system in northern Saskatchewan. I think the study completed in the late '60s and early '70s — I believe 1970 — considered a recommendation that a possible department of northern Alberta be developed, or at least a northern Alberta commission which was in essence the same basis on which the Department of Northern Saskatchewan was formed. I think that to a degree there are some advantages. You could be the premier of northern Alberta if you were the minister responsible, if that's really what you were attempting to do. We feel quite strongly that the role of the Northern Alberta Development Council, with the assistance of the branch in the Department of Tourism and Small Business which is there primarily to assist the council, but to work with the department as well in getting back-up information and prodding or needling — whatever the case may be — those particular departments they may be working with, is to carry out the recommendations or requests, or accede to requests made by citizens of the area. I just wrote down one that in my mind is extremely successful: the student bursary program the Northern Alberta Development Council sponsored.

The other point you raised was roads. From the standpoint of an MLA, there's no question about the need for roads. From the standpoint of tourism, there's no question about the need for roads to be completed as quickly

as possible, be they the woods and waters route or the priorities . . . I won't speak beyond that on the priorities of the minister, but I can assure you that as Minister of Tourism and Small Business, I have sat down with the Minister of Transportation and talked about the development of a lateral road system, east and west across the province and north and south. Last year we completed paving from the 49th to the 60th parallel; I think for the first time in Canada. With that done, obviously the minister has to look at east-west routes. An announcement was made last Friday, I believe, relative to the twinning of Highway 16 and Trans-Canada 1, major concessions in the area of tourism, of moving people into Alberta. It also has the disadvantage, if I can use that term, of moving them out as well, which makes us work harder to ensure that the balance is maintained, because we get the kind of question relative to our deficit. We've got a great number of Albertans going out. I don't want to stop them going out. I want us to work twice as hard to ensure we get more back in, so they can continue to go out, if that's what they want to do, to enjoy a climate other than the severe winter climates we used to have. We haven't had a bad winter for a while, and that's a good tourism point. You can play golf in Calgary in January now. A few years ago that was not possible.

With that, Mr. Chairman, the hon. Member for Grande Prairie, chairman of the Northern Alberta Development Council, may want to supplement my remarks.

MR. BORSTAD: Thank you, Mr. Chairman. The Member for Spirit River-Fairview mentioned that there was a difference between the council of the early '60s and today. I feel that the council, as it was established in the mid-60s, was probably taking more away from northern Alberta than it was accomplishing. I think that between '65 and '70 some \$20 million was spent on gap funding: small roads and a bridge here and there, and maybe some lights for an airport or something. All the time, some departments of government were saying, well, the council has money, let them spend it. So we were actually losing funds in northern Alberta. I think there has been a considerable improvement since the council was reconstituted in 1973, because now the departments are responsible for those programs that are going to be developed in northern Alberta. I think the council has been very, very successful.

Last year we crossed northern Alberta and received some 150 briefs. Some 800 were presented since 1973 up to last year, so it's probably in the neighborhood of 950. I would have to say that when we reviewed those briefs presented to us about various programs northerners would like to see instituted, various problems they have regarding roads, or whatever it might be, we were approximately 65 per cent successful in having those things brought about to people's satisfaction. I suppose you might say some 20 per cent that we're trying to have something done about are still in limbo. We're looking for further information to supplement our requests to various departments of government. I guess the balance are problems we just can't handle. There are questions that are not reasonable for us to respond to.

As the minister mentioned, we held a very successful Alberta north conference in November 1980. From that conference came a number of requests and recommendations which we have submitted to cabinet, and we look forward to those being brought about.

Transportation is one of the priorities of the council. We crossed northern Alberta, as you mentioned, and

transportation is one of the things that affects the north. I suppose 25 per cent of the briefs we receive are on transportation. We have set up two transportation seminars. We brought department officials to Fairview last week — and Bonnyville on May 27, I believe — to sit down with municipal officials and discuss the current program and also the long-term program, and give those municipalities an opportunity to discuss, debate, and recommend. This has never happened before. We think we're starting to make some inroads, and I think that with the budget that's being spent this year in northern Alberta we're well on the way.

I might also mention the student bursary fund. Last year a total of \$400,000 was appropriated for the student bursary fund, which returns professionals to northern Alberta for a year of service for every year they receive a grant. Last year 108 students were awarded bursaries. We're hoping — in fact it's in the budget — to raise the student bursary fund by some 50 per cent this year, which will increase students, possibly up to 150 or 160, in the year ahead.

A health needs seminar was held in St. Paul in February a year ago. From that came recommendations which we made to cabinet and government. A number of those recommendations have already been acted on. One was the expansion of the dental program in the north.

While I'm on my feet, I might mention that alcohol is one of the major problems across the north, as it is in most parts of the country. We held a joint meeting with AADAC some time ago, and since that meeting we appreciate the request of the Member for Lethbridge West that we have a member from our council sit on the AADAC board to get more liaison, and to see where we're going in northern Alberta as far as detox centres and those types of things we need to improve alcohol conditions in northern Alberta are concerned. At this time I would like to thank the Member for Lethbridge West for the appointment of one of the members that has just been made.

MR. ADAIR: Mr. Chairman, one point I didn't comment on was the reference to the 4.7 per cent deficit. In the budget for the Northern Alberta Development Council, one has to take into consideration the fact that every other year we have a major conference. The expenses of that major conference were included last year. Because they were not included this year, there appears to be a deficit. I was sort of lying here waiting for you to ask the question so I could explain that particular one, because I'd heard you make the comment somewhere else before. But that's really where the differential is. The conference is held every other year, and with that not in this budget, there is a deficit position as a result. If you take that out, there's roughly a 15 to 17 per cent increase in the Northern Alberta Development Council's appropriation for funds for this particular year.

MR. BORSTAD: If I might just add one thing further. There's also \$75,000 in there for assistance for TV to the Slave Lake-High Prairie region, which is a one-time grant.

MR. NOTLEY: As a supplementary question, Mr. Chairman, what was the cost of the conference in Grande Prairie? Do we have those figures?

MR. ADAIR: I believe it was roughly \$146,000 for the conference, and \$75,000 for the communications grant.

[Mr. Purdy in the Chair]

DR. BUCK: Mr. Chairman, just one or two comments to the minister. First of all, I agree with some of the representation that's been made by the Member for Spirit River-Fairview, in that I would have a little trouble being a minister of the Crown and trying to defend this government's road program. But I think if we started that debate, we'd be here all afternoon.

In relation to roads, especially in the minister's constituency, I would like to ask the hon. minister what stage that road from La Crete south is in. I know that people from that part of the country have to go back a long way to get to the main highways. Also creating a tourist business is going to be a bit of a problem when you go from High Level to Rainbow Lake on 90 miles of gravel. Mr. Chairman, I think I spotted one road grader on that road. I purposely rented a truck and went down that road to find out if the people from Rainbow Lake had a legitimate complaint when they said they couldn't get out in the spring. Mr. Chairman, I can understand that they could have that problem. Also, driving that dust-filled, scenic road from High Level to Fort Vermilion, I think it's one of the most beautiful spots I've ever seen, but it certainly isn't going to encourage tourists to use the road.

Mr. Chairman, one other area of concern I have always had with the Alberta Opportunity Company — I really don't think it's serving the needs of the small businessman. We're starting to think that the small businessman is between \$200,000 and \$500,000. Mr. Chairman, if I were ever Premier of this province, one pledge I would make to the small businessman and the agricultural sector of this province is that I would use \$1 billion of the Heritage Savings Trust Fund, and the interest rate would never be over 10 per cent to the small businessman and the agricultural sector. Because all members of this Assembly — and many of them are small businessmen — know that when you're looking at 20 to 22 per cent in the commercial banks, when you're looking at 15 or 16 per cent in the Alberta Opportunity Company, a lender of last resort, that interest rate is going to kill you. Mr. Chairman, I think this government can be much more imaginative in using the Heritage Savings Trust Fund. Set up a special fund, and let's lend the money at least at the rate we lend to other people, to Syncrude, to other provinces.

Mr. Chairman, in the area of training for food services, I would like to ask the minister if he's ever given any consideration to looking at some type of combination apprenticeship program for bus boys, waitresses, waiters in food services, using a program similar to what the federal government had when they were training welders, so that people who are running the business get a refund if they train X number of people. Put the onus on those people to come up with some kind of program.

Another area that concerns me, Mr. Chairman, is the duplication between the small business sector and the federal programs. First of all, I don't think the lousy federal government should ever have been in that kind of program. It used to be the Industrial Development Bank — they've a new fancy name for it now. Now they go into training seminars. They shouldn't be in that. That should all be done by the minister's department. So I'm concerned about that duplication because the one taxpayer pays the shot.

The last point I want to make to the minister: I really cringe when PWA goes on at great lengths saying, ski the bugaboos, ski British Columbia. Why the sam scratch, I

hope they're doing that kind, of selling job in British Columbia to bring skiers to Alberta, because we are in competition with our own Crown agency taking people out of Alberta. I hope that the program to bring them into Alberta is as extensive as it is to take them out of Alberta.

With those few comments, Mr. Chairman, I'd like to say that I think the Minister of Small Business and Tourism is genuinely interested in doing a good job, and he is trying to do a good job. I would like to say that those few things are some of the things that bother me, but the main one is the fact that the small businessman and the agricultural sector should have a billion dollars out of the heritage fund — low, low interest, and I do mean low interest.

MR. ADAIR: Mr. Chairman, initially I should thank the hon. Member for Clover Bar for the opportunity to talk about roads in my constituency, because I seldom get a chance to do that. This may be slightly out of the portfolio in a sense, but it does relate to tourism. You were talking about the road south from La Crete, I believe. I travelled over it not more than a month and a half ago, and it was in good shape. Now in spring it's not all that great. There is a program for upgrading from the Mackenzie Highway to the river this summer, and that in fact will take place on the first section. They'll be working right around the community of La Crete. That's another one.

This is an opportunity for me to get an update for the road programs in my area. The first section of Highway 58 is already paved; the second section is under way for upgrading so that it can be paved. That will leave one more section east from High Level to Fort Vermilion to upgrade and pave, with the first section from the airport out to the Fort Vermilion bridge up to the junction already done, so it's moving along reasonably well. I'm quite happy with it as a matter of fact. At the other end, there is a paving contract from Rainbow Lake to Comet, which is the high use area coming from Rainbow this way, starting in reverse other than Mackenzie. I'm also pleased with that. [interjection] No, that's your mathematics, hon. member.

You did mention the Alberta Opportunity Company. One of the things that possibly needs to be pointed out again is that there is no question — you mentioned, I believe, \$200,000 and above as the loan range. For example, the figures for 1980: 43 per cent of the loans were \$50,000 or less — that's an interesting statistic — 25 per cent were from \$50,000 to \$100,000, and 20 per cent were from \$100,000 to \$200,000. The 12 per cent: 10 per cent of that, \$200,000 to \$500,000, and less than 3 per cent in the range of \$500,000 or over. So they are in fact working with the little businessman who wants some funding using the lender of last resort concept. Obviously, at the present time, as long as we retain the base 12, the high of 50 and the low of 10, we're in a very fortunate position for the borrower if he happens to be in a smaller centre in a smaller business right now. Because if that's the case, he's got the best of preferred rates, between 10 and 12 per cent.

Your comments relative to the billion dollars are taken. I've made a note of them, and certainly will make that point when I'm talking with my colleagues. You talked about the apprenticeship program and the possibility of looking at it. I'm not aware that we have in fact considered that aspect of having someone work in that particular industry and then having a sort of bonus system,

where if you worked you received something for it. But it's worthy of looking at. Relative to the hospitality industry, I think one of the things we must do in this province is have some method of recognition. That began a year ago in a very small way with our employee of the month program — very, very well received, and recognition long overdue to people who worked very hard on behalf of the industry in service stations, restaurants, airport wickets, you name it. Certainly it is a good program, and I think should be continued in some fashion.

You mentioned duplication, or the appearance of duplication, with the Federal Business Development Bank. I think there is an appearance of that. Certainly one of the things we have been concerned about is that appearance. They move into a community with a seminar, and it may be two weeks after we've been there. On occasion we have had officials in the department talk to them about spacing them out. We don't necessarily feel it is a total duplication, a service that can be provided — but if it's sufficiently spaced out so that when we or they are there the same person has to take time off from his work to be able to go and take advantage of what may be offered. We'll make every effort to continue to space them as much as we can. As I understand it, their main thrust relative to loaning is primarily in the metropolitan centres. So there isn't the same kind of appearance of duplication of AOC and FBDB. The other thing that should be noted is that FBDB rates are somewhat higher than AOCs right now.

DR. BUCK: How about PW's trips?

MR. ADAIR: I'm sorry, Mr. Chairman. PWA, as a Crown corporation outside of government, at arm's length or further, and their promotional packages — I guess it relates to the point I made a little earlier that we must work a little harder in this province to try to counteract those of our citizens who are fortunate enough to be able to go outside the province. That's a bit of a thorn in my side as well.

MR. WOLSTENHOLME: Thank you, Mr. Chairman.

I'd like to congratulate the hon. minister for his exuberance and devotion to tourism. But having said that, I do have a concern. The minister touched on it when he was answering the hon. Member for Spirit River-Fairview. I regret that I wasn't here the other evening to ask the question of the Minister of Recreation and Parks, because I think it all ties in together. I wonder if there's any chance of the minister and the ministers affected by the area getting together and arranging funding for the maintenance of roads that lead to tourist attractions. You mentioned cross-country roads and so on, but I'm speaking of short distances. Naturally the MDs or municipalities concerned don't feel they should have to maintain those roads to their usual standards when they're used by people other than the residents of the municipality. Then the local people complain bitterly, and rightly so, because the roads are in bad shape, not from their use but from the use of people from other parts of the province, Canada, or what have you. That was something I had intended to ask the Minister of Recreation and Parks too. Is there a chance of a committee being formed to look into such an aspect as helping municipalities maintain roads to tourist attractions?

MR. ADAIR: Mr. Chairman, I can respond in part to the question. Relative to working together, and I stand to be corrected, the Minister of Recreation and Parks and his staff sit down and meet with Transportation when putting in place a new park or upgrading a park so there's a road program by Transportation to simultaneously meet with the development in an area. Beyond that, I guess your request could properly go to the Minister of Transportation when his estimates come up. But I'll pass that note along to him so that he may be able to respond more knowledgeably at the time.

One of the things that I guess should be pointed out to the citizens in an area where you may run into those kinds of problems is the fact that although pounding or destroying of the road appears to be a problem, funds are coming into the community. They are tourist dollars, and they're still green. I say that with a bit of a smile on my face. The citizens don't mind the dollars coming in.

As a department we should recognize the impact, and make the case on behalf of the members who have expressed a concern in that area to the Department of Transportation as well, relative to those roads that have additional traffic generated by tourists. I'll take that point.

MR. DEPUTY CHAIRMAN: The Member for Edmonton Kingsway. But before I do that, it appears that the hon. minister has forgotten the context of the note I sent him about an half hour ago.

MR. ADAIR: I apologize, Mr. Chairman.

DR. PAPROSKI: Thank you, Mr. Chairman.

Again to the minister: I think the Alberta Opportunity Company must be congratulated again for the excellent job it is doing. It's not only very important but, as I said earlier, it's an excellent job. I'm sure the hon. members of the Legislature recognize that small business is a most important pillar in our business community. Small business has been the beginning, and I'm sure it will be there forever. Recognizing the Alberta Opportunity Company's objective of helping development of resources, augmentation of business, and diversification of our industry, I think it's still true that there is no such thing elsewhere in Canada. Just for a point of clarification so the citizens out there will really know some of the statistics on this — we know the average amount of loans is quite low, and that is good, because they're in fact intended for small business. But I wonder if the minister has evidence or information on the number of loans that were granted over the past year. Has this increased or decreased, and can he relate that to any factors in our economy? Further, would he explain the policy regarding the urban/rural split. What is the policy in that direction, the rationale behind it, and the commonest form of business that received loans since the inception of the AOC, especially during the past year?

The other concern that has been expressed to me from time to time is that there is a delay between the application and granting of a loan. Although that hasn't been a major factor, I'm wondering if anything has been done in policy recently to accelerate the granting or dealing with the application. It would also be interesting to know, Mr. Chairman, whether the failure rate has increased or decreased in the past year or two, and what special treatment, if any, is given to the high dollar loans; for example, the \$500,000 loans and so forth.

MR. ADAIR: Mr. Chairman, honored members, I'll attempt to answer your questions as best I can. A number of them — you passed me the note as you were getting ready to ask the question. The average loan is roughly \$100,000 plus. That's up from about \$58,000 a couple of years ago to around \$100,000 plus or minus per loan. The split on the urban and rural loan applications: for 1980 the loan applications approved for northern Alberta were 36 per cent, for central Alberta 26 per cent, for southern Alberta 25 per cent, and for Edmonton and Calgary 6 and 7 per cent respectively. So you can see that roughly 87 per cent of the loans are going to areas other than the metropolitan centers of Edmonton and Calgary. That's based on lender of last resort and the ability to receive funds elsewhere. In essence if you are in any community in Alberta, whether it be High River, Peace River, Edmonton, or Calgary, your application to AOC would be gauged on whether you have the capacity to borrow or obtain funds from other sources. If you are able to obtain funds from other sources, AOC automatically drops out. They are a lender of last resort. As a result, that shows in the direction we gave them when the Alberta Opportunity Company was struck in 1973.

I believe the failure rate was one of the other ones you commented on. I stand to be corrected, but I believe the failure rate is roughly 5 to 6 per cent of applications. At this point in time, that isn't any higher or lower. It's roughly the same and has been consistent for the last number of years.

What special treatment for the larger loans? I'm not sure it's special treatment. I think the process should be explained, though, Mr. Chairman. If your loan is over \$750,000, the application is made to the Alberta Opportunity Company. It must then be approved by the management and forwarded to the board of directors who, if they approve it, must then see it forwarded to cabinet for final approval. The most recent one I can think of was a \$1.3 loan to Lily Lake farms for the Alberta Wildlife Park, which was a loan higher than \$750,000. It went through the process of going from the management to the board to cabinet, and was approved. That type of loan does take a little longer, because the board itself meets every two weeks. Of course cabinet meets every week, and it would meet after it was approved. So it may well be a three or four week period. The average length of time for approval of a loan, if all documents are in place, could be anywhere from as short as 10 days to a maximum of six weeks, given the fact that there is now an extremely good process where Mr. Ron Blake, assistant deputy minister of small business, who is sitting in the members gallery, and his staff will work with the staff of the Alberta Opportunity Company to assist the applicant to ensure that all documentation is in place before he makes the loan application.

Mr. Chairman, I believe that answers the questions raised by the hon. member.

DR. PAPROSKI: Just one more supplementary for further clarification on the urban/rural split. Is the minister saying to the Legislature that there is no specific policy with respect to that; it's just the way the applicants come in? I would like to be sure of that because I've heard from urban members, and being an urban representative, there's a concern that maybe special treatment is being given to rural communities versus urban communities, when in fact the need for such a loan could be just as great in an urban area.

MR. ADAIR: Mr. Chairman, the inference that there is special treatment may in fact be partially justified by what I said earlier, that the base rate is 12 per cent if you're in a small community. Under the Alberta Opportunity Company, that's 10,000 people or less. If you're a small business that has 25 employees or less, you are entitled to receive as low as 10 per cent. If you are in Edmonton and Calgary, you are entitled to receive a loan of 15 per cent. That's based on the fact that in most metropolitan areas you are able to obtain financing and, as a result, that shows in the number of applications presented.

Just to give you an example, in the year 1976 Edmonton had 16 per cent of the loans, Calgary 14; in 1977, 12 and 15; in 1978, 10 and 13; in 1979, 8 and 7; and 1980, 6 and 7.

MR. GOGO: Mr. Chairman, I want to make two points. The Member for Clover Bar made a suggestion that \$1 billion, from wherever, should be advanced to small business in the province of Alberta at a cost of 10 per cent. I hope the hon. member has considered that we presently pick up a subsidy of \$5 million, as you'll see in Vote 3, which is really a difference between what we lend to small business in this province through AOC and what the citizens of Alberta generally are paying for that. That's \$5 million, about \$2.50 per person. The member's suggestion of \$1 billion at 10 per cent is saying there should be \$100 million subsidy by the citizens of Alberta for I don't know how many small businessmen. It's just economics like that that saw the end of the previous administration. If that's the example we're going to have ...

DR. BUCK: Give it to Manitoba, to Quebec, but don't give it to Alberta.

MR. GOGO: I don't want to be discourteous to the member, Mr. Chairman. I listened to him; now I suggest he listen to me. If that's the sort of advice this government is going to adopt, we're obviously not going to be around for very long.

For such a small department in terms of appropriation, I think we've seen here in the committee the impact on so many departments. I made a note. I think of Native Affairs; the Northern Alberta Development Council, which deals with many native groups in northern Alberta; Transportation; Economic Development; Advanced Education and Manpower; Recreation and Parks; and Labour. I don't suppose there's another department, unless it's Treasury, that relates with so many departments in government.

Later on this month the air transport board of the Canadian Transport Commission is holding public hearings in Lethbridge with regard to applications from Time Air, an Alberta company, which I believe has a vested interest with government through loan guarantees, and Pacific Western for extending service outside this province. I'm somewhat interested with regard to the role of the minister's department. I'm informed this morning that the British Columbia government is already formally intervening against Time as a third-level carrier going to British Columbia. Inasmuch as tourism is our third largest revenue producer and that the airlines produce tourists to this province as well as taking them out, and that it's going to have an impact on small business in addition to tourism, my question to the minister would be — and I know it may be delicate — does the minister's department anticipate acting as an intervener or certainly

representing the views of Time Air or Pacific Western at those public hearings to be held later in the month in Lethbridge?

MR. ADAIR: Mr. Chairman, relative to the role of an intervener, it's not the role of the department to play a part in that. Where we have assisted airlines, primarily in the field of international airlines, is a letter of support relative to their coming in, recognizing, as the hon. member said, that it works both ways. You take passengers out and you also bring them back in. Having said that, because we haven't played a role as an intervener, I'm not exactly aware of what the application for Time Air is and where it's to. I have not had a part to play in that, so I can't respond beyond that, other than to say we would not be an intervener on behalf of any applicant in that sense.

DR. CARTER: Mr. Chairman, my question to the minister is fairly brief. It's with respect to the Alberta Opportunity Company. Has the minister had an opportunity to give direction to the groups that perhaps they give additional counselling with respect to native businessmen within the province with respect to the filling out of applications and all that entails?

MR. ADAIR: Mr. Chairman, relative to additional direction to the Alberta Opportunity Company to assist natives in filling out applications, I haven't provided any additional direction. I think we should point out two aspects here. The Department of Tourism and Small Business and the small business division has the capacity, through our regional offices, to assist any person in the province of Alberta to put an application together. Primarily in the northern part of the province, we have assisted the native community when they have come in to prepare an application or seek funding from any source, because the regional representative doesn't necessarily look at it from the standpoint of being AOC. It would be from a lending institution, and then to determine what may be the best institution to try to make the application to, be it the bank, a company like RoyNat, or AOC. At a recent board meeting the Alberta Opportunity Company moved in the direction of providing more counselling service to applicants and to those who are the recipients of funds, because I think they have recognized, as we have attempted to recognize, that management is a very key component to the success of any business.

But in direct answer to your question, not any further direction to that, but it has been discussed at any of the meetings I have had with the manager and the chairman of the board relative to that particular concept of the native community and where we may be able to play a part working in co-operation with the hon. Minister responsible for Native Affairs and the two projects he's working on right now.

MR. MUSGREAVE: Mr. Chairman, I just want to make a few brief remarks on the comments of the hon. Member for Clover Bar. As a former member of the Heritage Savings Trust Fund, I think he appreciates that only a small percentage of the fund is available to move fairly quickly as he suggests. But we have frequent requests for money. Just recently the economic affairs committee of caucus was asked for approximately \$1 billion by the credit union movement of Alberta, because they too wanted to lower loans and be competitive with banks.

He mentioned too that we should loan money — a

billion or so — from the heritage fund at 10 per cent to small businesses. Politically that's great. Then he used the argument that we loan money to other provinces at lower rates than we loan to businessmen. He fails to observe, though, that we're dealing with a single borrower; dealing with a rate which at the time was competitive for borrowing money by that province or jurisdiction in Canada; and most important of all, we are fixed. Whether we like it or not, we're locked into U.S. money markets, and our rates reflect ...

MR. DEPUTY CHAIRMAN: Order please. I have some difficulty with the hon. member's remarks, because they do not fit in with departmental items we are now discussing in committee.

MR. MUSGREAVE: That may be true, Mr. Chairman. But I'd like to point out that you didn't stop the hon. Member for Clover Bar from making his remarks.

MR. DEPUTY CHAIRMAN: I'm sorry, hon. member. I was not in the Chair when the Member for Clover Bar was speaking, so I don't know what his remarks were. If he were [making] those types of remarks, he should have been called to order by the other chairman.

Agreed to:

1.01 — Minister's Office	\$155,320
1.02 — Deputy Minister's Office	\$167,300
1.03 — Department Administration	\$70,500
1.04 — Financial Services	\$204,100
1.05 — Personnel and Staff Development	\$96,800
1.06 — Library	\$70,000
1.07 — Communications	\$45,900
1.08 — Office Support	\$97,300

Total Vote 1 — Departmental Support Services

\$907,220

2.1 — Small Business	\$3,079,000
2.2 — Tourism	\$7,486,000
2.3 — Northern Development	\$1,081,700
Total Vote 2 — Development of Tourism and Small Business	\$11,646,700

Total Vote 3 — Financial Assistance to

Alberta Business via Alberta

Opportunity Company \$4,950,000

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

[Motion carried]

MR. CRAWFORD: Mr. Chairman, if the committee will bear with us, the Minister of Education will be here in just a minute or so.

Department of Education

MR. CHAIRMAN: Has the minister any opening comments?

MR. KING: First of all, Mr. Chairman, I'd like to thank all hon. members for their welcome as I entered the committee. I would like to make some introductory comments, and begin by saying I think the educational system of the province has performed well this past year under circumstances present in the community. I expect it

to continue to perform well in the year and years ahead.

In the past year in our public and separate school systems, aside from those enrolled in private schools, we delivered educational services to 410,963 students: 206,839 in elementary schools, 103,162 in junior high schools, and 100,962 in senior high schools. In support of this we have the budget for '80-81 reflected in the estimates book this year, and the budget before us for '81-82.

Mr. Chairman, one question which has been argued, particularly in the media, has been with respect to this province's support for education. I would like to be very explicit, cite sources, and declare that on a per-pupil and a per capita basis this province ranked second in Canada in 1979-80 and 1980-81 in its support for education — second, not fifth, not sixth, not eighth, and not tenth. When the budgets for 1981-82 are available from other Canadian provinces, I predict they will reveal that on a comparable basis we will be first in Canada.

It is not enough for people anywhere in the province or for the Minister of Education to say where we rank; let us cite our sources. Mr. Chairman, I will cite Local Government Finance, Statistics Canada, catalogue 68-203, 1979-80, consolidated provincial/local government expenditure on education, including higher education: with an expenditure of \$709.10 per capita, Alberta ranks second in Canada only to the province of Quebec. I cite as well — if I can find it — that according to comparable information from the Council of Ministers of Education, Canada, on a per-pupil basis, Alberta ranks second in Canada. Mr. Chairman, the question is not simply whether we are spending the money, which we are doing; the question is what we are accomplishing with the money we spend. In this province we have much of which we can be proud.

A concern has been expressed in the media and among referent groups that I question the educational system in this province. That is true in part, and I make no apologies for it. But I want it to be clear that I am questioning and have concern for the structure by which education is delivered in this province. I believe that the people engaged in education are doing a creditable job and have a sincere regard for the well-being of students in this province. My criticism is not directed at teachers, it is not directed at administrators, it is not directed at trustees, and it is not directed at the staff of the Department of Education or the faculty members of our three faculties of education. The people are doing the best job they can under the circumstances. My concern is for the circumstances. I question the structure. I sometimes seek to accommodate changes in the structure, because by changing the structure we can make it possible for the workers to do a better job, whether they're in the classroom in front of students or in the Legislature before their colleagues. I am proud of the job being done by the people engaged in education in this province. Nevertheless we must critically examine the structure, the situation we are in, and we must always seek to make changes. There is room for improvement in the system of this province.

That is precisely why we are engaged in a major review of the educational finance system of the province. Stage one has been completed. This summer we will begin stage two. Stage two will analyse all the financial information we have gathered together and, on the basis of the analysis, will recommend a new or a number of new financial models for education in the province during the next 20 years. As I have said on other occasions, stage two will involve the active participation of all interested reference

groups: the Alberta Teachers' Association, the Alberta School Trustees' Association, the Conference of Alberta School Superintendents, school business officials of Alberta, and the Alberta Federation of Home & School Associations. The review of educational finance in the province will be a co-operative venture. It is designed to address the deficiencies that have been revealed in our existing finance system and to recommend new ways in which we can overcome those deficiencies, finance a better education and a more equitable educational opportunity for every student in the province.

It is in that light, Mr. Chairman, that we will consider particularly recommendations one and two of the Kratzmann commission report. It has been misunderstood, in some cases by choice, precisely what the response of the government is to the Kratzmann commission report. I want to go on record as saying that my immediate response was to endorse in principle 10 of the 12 recommendations of the Kratzmann commission report. I did not reject them. We have serious concerns about recommendations one and two, the so-called 20:20 vision. In spite of our concern, we have not rejected them out of hand. They are going to be the subject of a more complete, thoroughgoing review by the Department of Education.

Mr. Chairman, this year we have renewed the life of the educational opportunities fund, probably one of the most successful educational programs of this provincial government. In the course of renewing its life for another four years, we have added a component for native urban education, which in my view will address in a realistic way one of the most significant educational problems we face in the province at the present time. We have extended funding for special education, and I hope very shortly to be able to commit that decision of the provincial government to a formal agreement with both the Calgary Board of Education and the Edmonton Public School Board. We have taken an important step in the announcement of last Wednesday that we would support financially a system-wide, comprehensive, in-service program for the new social studies curriculum.

Mr. Chairman, I look forward to the discussion of the estimates, to the contributions of all my colleagues. Thank you.

MR. DEPUTY CHAIRMAN: Vote 1.01 — Minister's Office ...

MR. NOTLEY: Mr. Chairman, before we get too enthusiastic in the agreement of Vote 1.01, I'd like to make a few observations in dealing with the estimates of the Minister of Education. Certainly I would preface my remarks by agreeing with the minister that all the stakeholder groups in the delivery, if you like, of our education system by and large are working well. We've got dedicated school trustees, who for the most part are working hard. We've got teachers who, notwithstanding the difficulties, in general are doing a good job. I think we've got a lot of parents in this province who are genuinely concerned in the future of education and the ongoing education process of their children.

However, I think — I'm just trying to assess my notes here — when we talk about the system and the way in which we can increase the performance, the minister suggests here that he has concerns about the circumstances and the structure. Well it seems to me, Mr. Chairman, that one of the things we have to address quite candidly in assessing the circumstances is the perfor-

mance of the government, the minister, and this provincial administration. Now I know we can get into all kinds of statistical arguments. The minister advanced several to the effect that Alberta was doing very well by comparison with other provinces. I suppose it depends on how one assesses the figures. I think gradually in the energy war we're now getting down to common figures. There can still be pretty substantial differences, even using the same data base. But let's try as much as possible to look at a similar data base, to ask ourselves the question: are we allotting as high a percentage of our provincial budget to education as we should? Well, when comparing the estimates for 1980-81 with the estimates the minister is now asking this committee to approve, according to the minister the increase is 17.9 per cent. That is impressive until one recognizes that it ranks 19th out of the 23 departments; in other words, 18 departments have had an increase greater than 17.9 per cent. As a percentage of the overall budget, Education is down slightly, from 13.8 per cent last year to 13.1 per cent this year. In other words, while other departments are moving ahead, Education is moving ahead, but not as fast.

I think the minister also has to look at how we are doing in terms of where we spend money on education, compared to other provinces. Again, let's look at the figures. The minister was good enough to supply the committee with his source. Perhaps it's equally incumbent upon those of us who may quarrel with his assessment to do the same thing. Advance Statistics of Education, 1980-81, published by Statistics Canada in August 1980, gives the following information. I think it's probably worth looking at, Mr. Chairman: first of all, expenditures on education as a percentage of personal income. It seems to me that's an important place to start. How valuable is education to us as a percentage of our personal income? The national average for 1978, the last year for which figures are available, was 9.9 per cent; Newfoundland 11.7 per cent, Quebec 11.5 per cent, Prince Edward Island 11.4 per cent, Nova Scotia 10.5 per cent, New Brunswick 10.4 per cent, Saskatchewan 9.6 per cent, Manitoba 9.3 per cent, Alberta 9.2 per cent — eighth among the provinces, ahead of Ontario and British Columbia. Mr. Chairman, in my view that is a reasonably useful yardstick to assess our commitment to education, because it has a direct relationship to the personal income of our citizenry.

Let's take another set of figures, again published by Statistics Canada in August 1980: expenditures in education as a percentage of gross provincial expenditure. How are we doing in comparison with other provinces, using gross provincial expenditure, all the goods and services including the government expenditures, the private expenditures in society? That takes us right back to the arguments of the '50s and '60s over a public sector which is starving while we have all kinds of money for private expenditures of one kind. Mr. Chairman, using that yardstick, Alberta does not fare very well. The national average is 8.1 per cent. The highest is Prince Edward Island, 12.2; Newfoundland 11.8, Nova Scotia 10.1, Quebec, New Brunswick, Manitoba, Ontario, Saskatchewan, British Columbia 6.9; then you finally get to Alberta at 5.4. As a percentage of our gross provincial expenditure then, we rank 10th out of the 10 provinces. Not second, but 10th. [interjections]

Again, that comes from Statistics Canada. I know some of the members may be convinced that that's some sort of conspiracy. I know we blame Ottawa for everything these days. I suppose not making enough money

available for education in Alberta can be blamed on Ottawa as well.

AN HON. MEMBER: What year is that?

MR. NOTLEY: 1978.

AN HON. MEMBER: Two years ago.

MR. NOTLEY: If I recall the minister's introductory remarks, the last figures he gave were 1978 as well, hon. members.

We might look at another way of examining our comparative expenditures on education: the per capita of labor force expenditures on education. Again, the national average, \$1,800 in 1979; Quebec the leading province, \$2,073; Newfoundland \$1,983; Alberta ranking seventh in this particular instance at \$1,682.

Mr. Chairman, the point I want to make in assessing these figures is that we can have all kinds of discussion in this committee and elsewhere — the minister can supply figures showing one thing, and I can supply figures showing quite another. The whole business of how you get to this second-place status — I haven't had an opportunity to look at the statistical information the minister's bringing forward, but I suspect that includes supplementary requisitions. I suspect that includes money that has to be raised at the local level. And committee members should be well aware that most of them are here because 10 years ago their leader told us a Conservative government would take education away from the property tax burden. I have a sneaking suspicion that to arrive at our figure of second place we have to throw in supplementary requisition, which is somewhat higher today than it was a few years ago.

Mr. Chairman, I want to deal with three or four other major aspects of the minister's estimates. Perhaps I'll just touch upon one of them first, because I want to go into The Teaching Profession Act, the voucher system, and all sorts of interesting kites — yes, I think kites would be the appropriate way to describe them. But I am pleased to see that the minister is saying we're not ruling out recommendation 1 of the Kratzmann report. Either the minister is very unfairly treated by the press in that they're always misquoting him — he's saying yes. That's really sad. But the minister's always been able to make his position clear. Therefore I must confess a certain puzzlement now to see the government telling us in committee that we're not going to consider these things. I would be almost certain, as I reflect back over the last few weeks, that the minister was quite categorical; at least he was so quoted in the public media. But whatever the process is, I'm glad the government is saying to us in May 1981 that we are not rejecting recommendation no. 1 of the Kratzmann report, because I believe that in this province we should be the leader.

I still recall a question period in 1973 or '74, I believe, when the now Provincial Treasurer was the Minister of Education. If my memory serves me right, we were asking what the teacher/pupil ratio should be. The hon. gentleman suggested that 20:1 would be a reasonable objective. I would hope we can see some further action.

I see we're just about at adjournment time, Mr. Chairman, so I would beg leave to adjourn the debate now and reconvene, or do you want to carry it ...

MR. DEPUTY CHAIRMAN: You can't adjourn the debate in committee.

MR. NOTLEY: I realize I can't adjourn debate, but at least allow the committee to rise and meet at 8 o'clock, and I will carry on then with some of the other comments I have.

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

[Mr. Appleby in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows:

Resolved that for the fiscal year ending March 31, 1982, sums not exceeding the following be granted to Her Majesty for the Department of Tourism and Small Business: \$907,220 for departmental support services, \$11,646,700 for development of tourism and small business, \$4,950,000 for financial assistance to Alberta business via Alberta Opportunity Company.

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 report, are you all agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: It is so ordered.

MR. CRAWFORD: Mr. Speaker, I move that when members reassemble at 8 o'clock the House be in Committee of Supply, and that the House now adjourn until the Committee of Supply rises and reports.

[Motion carried]

[The House recessed at 5:29 p.m.]

[The Committee of Supply met at 8 p.m.]

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

[Mr. Purdy in the Chair]

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

Department of Education (continued)

MR. NOTLEY: Thank you, Mr. Chairman. We got into a discussion of the Kratzmann report. I think I'd mentioned that I was pleased to see that the government was at least not ruling out Recommendation 1, namely that

- (1) an average instructional ... week of 20 hours for each teacher, and,
- (2) an average ratio of 20 pupils for each on-site professional (exclusive of school administrators)

be considered. Mr. Chairman, I think it's important that we recognize the Kratzmann report really came out of the initiatives of both the Minister of Education and the Minister of Labour during the Calgary teachers' strike.

For a while this winter one had the impression that it was, as it were, the unwanted child, left abandoned. It's encouraging at least to see that that may not entirely be the case.

I wonder if we can be a little more specific in the minister's response, Mr. Chairman. I'd like to know precisely what approach is going to be taken by the government in the evaluation of the Kratzmann report. The minister has stated that time is required to evaluate the report. As I understand news reports, a final decision won't be taken until the summer. But I'd like to know specifically what procedures and methods are being used by the government to evaluate the report. Who's doing the evaluation? What is the role of the department? What is the role of the caucus committee on education? When do we anticipate a definitive government response? I take it that to date what we've heard from the government is a preliminary response to the Kratzmann report.

Mr. Chairman, I want to move from the Kratzmann report, if I may, to deal with two other issues that I consider important. The first is The Teaching Profession Act. I'd like the minister to advise the committee whether at this stage the government has completely withdrawn the proposals on The Teaching Profession Act that had been advanced earlier this year; that is, the separation of the ATA, making it essentially a collective bargaining agency, and then a professional body where half the membership would be appointed by the government as the professional evaluation organization. Where does that stand at the moment?

We know of the discussions that took place between the minister and the executive of the ATA sometime in January or February, I believe. We were told that the matter is being held over. But has the government abandoned its initial proposals at this stage? My understanding is that the minister, through one of his departmental officials, had advised that the issue that created all the controversy — and caused members of the Legislature to receive more correspondence perhaps than almost anything I've noticed in a long time, this side of gun control — stemmed from a statement by the minister that it was take it or leave it. This is the final position of the government. We're going to go ahead with it. We're going to legislate on it. Well, where does that stand?

I think we should have some idea from the minister precisely what the next step is in The Teaching Profession Act debate. Is the minister in a position to confirm that no amendments to the Act will be introduced in this Assembly before the fall sitting? I think it's equally important, certainly as a result of all the correspondence that members have received, Mr. Chairman, that prior to the introduction of any amendments to The Teaching Profession Act, there be full and complete consultation.

Mr. Chairman, I want to move from The Teaching Profession Act to deal with, I suppose, the kite-flying that took place on April 27, where the minister is reported to have backed the idea of a voucher system, at least on an experimental basis. In his introductory remarks, the minister talked about the need to change the structure and to alter the circumstances. Presumably if he's in favor of the voucher system, part of the structure and some of the circumstances relate to this particular proposal. Well, I just have to stand in my place, Mr. Chairman, and say I have the gravest doubts about the merits of introducing a voucher system in this province.

But before going into that in a little more detail, I have specific questions I'd like to direct to the minister and get a response to. I'd like to know whether the minister is

personally in favor of undertaking this experiment, and that in fact the reports attributed to him are correct. At this stage, is it the policy of the entire government to pursue such an experiment? Is the minister speaking for himself, or is he speaking for the government? Is consideration being given to the implementation of the voucher system in Alberta beyond the bounds of the experiment within one jurisdiction or municipality? In other words, are we now looking at perhaps the beginning of a totally new approach to education in this province, or is it still very much an experimental concept? In either the contemplated experiment or any other application of the voucher system, is it the view of the government at this stage that this kind of approach should also extend to Category 4 schools. It's one thing to talk about a school system where there's an approved curriculum with certified teachers, but what are we going to do in the area of Category 4 schools?

The final question I'd like to put to the minister is: has there been any direct contact, through the department or the caucus committee, with jurisdictions in North America in which the voucher system is currently operating? If there is, will the minister attempt to obtain that information and table it in the House so we have some idea of the experience in other jurisdictions. I've had some information sent to me on the pros and cons of the voucher system. There seems to be some data, but I would like to know to what extent the government has undertaken a major study of the voucher system, Mr. Chairman. How serious is it? Is it just the minister thinking out loud? Is it the case of a group of people who are especially concerned about this approach coming to the minister and saying, let's try it? Or are we looking at a major departure in education policy?

Mr. Chairman, I'd just like to summarize my own position on this. In 1972 we had a debate in this House on the voucher system. The then member from Lethbridge West, Mr. Gruenwald, who was a former president of the Alberta School Trustees' Association, introduced the motion. Some of the members who were here that year may recall the debate that took place. I really think, despite some of the apparent advantages, freedom of choice being an important one, that the problems within the voucher system will far outweigh any of the pluses.

Just before getting into the voucher system as a general principle, I want to say that we have still not dealt properly in this province with the question of Category 4 schools and the impact of these schools on our public and separate systems in the province, especially our public system. I've said this before in estimates, but I think it has to be said again: when the decision was made by Judge Oliver in 1977 we should have appealed it, under the provision of The Judicature Act, to the Supreme Court of Alberta so we had a decision by the Supreme Court on determining the rights and wrongs of the case as it related to The School Act on the one hand and The Human Rights Act on the other. With the greatest respect to Judge Oliver, I just don't think it is suitable to have a decision of that magnitude being made by a provincial court judge. It should have been made by the Supreme Court of Alberta. I think we should have had a definitive assessment of the implications of the two Acts, The Human Rights Act and the Alberta School Act.

Now, Mr. Chairman, dealing with the rights and wrongs of the voucher system, it seems to me that we already have a serious enough problem financing our public education system. This is especially true in rural Alberta. If you bring in a new system of financing that

will allow total freedom of choice, what will invariably happen is a significant fragmentation of that public system. It may not mean a majority. It may mean 15 or 20 per cent. In looking at the reports of the school boards of the province as the minister must, he well knows that if you take away 15 or 20 per cent of the students from our rural divisions, they're going to be in very serious trouble in terms of their busing system, physical plant in place, and teacher/pupil ratio. There are going to be very, very serious problems. The inevitable result of withdrawing 15 or 20 per cent of the students will be a significant decline in the quality of the public system.

In my constituency I have a community where, even without the incentive of a voucher system, a group of people, and their sincerity is absolutely beyond question, want to set up their own school. In this one community, that withdrawal of 25 students could very well mean the end of the high school in a community where there's been a high school for 50 years. That's the kind of thing we get into if we allow fragmentation of the public system to occur. What I suggest to the minister and others who suggest there has to be more freedom of choice, is that the route is not allowing people to do their own thing. The route is to provide more freedom of choice within the public system. That's where we have to undertake reforms and changes, within the public and separate system. To allow everybody to sort of paddle their own canoe is, in my view, a very, very dangerous precedent.

I suggest that one of the real values, if you like, of our rural way of life is that we've had to rub shoulders with people of different religious and ethnic backgrounds, different interests, and what have you. This whole business of allowing people to go in their own little directions will segregate our society. I think that's a very dangerous trend. I don't think that is an acceptable trend. I think it will tend to institutionalize intolerance. While there's an argument for freedom of choice, the fact of the matter is that I think this province and this part of Canada is stronger because we have had to get the edges rubbed off, if you like, by coming up against people with different views, philosophies, and racial and cultural backgrounds. I would say as well that it would be very difficult in the voucher system to really have any meaningful public control over education, unless you were to substitute local school boards, and the role they play, for an even more centralized curriculum determined by the Department of Education.

So, Mr. Chairman, I would just conclude my remarks on the voucher system by arguing that while the pluses have been outlined before in this House in 1972, and very persuasively, I would argue against it. I think it is a built-in guarantee that, slowly but surely, our public-public and public-separate system will deteriorate. Now some members may say that isn't true. But let me just tell the minister that from the studies I've seen, looking at parts of the United States where people have been able to take their children out of the public system, it has been true, the public system has deteriorated. I don't think we want that sort of thing in Alberta. I think that would be the most devastating mistake to make, if we're talking about charting a future role for education in this province.

I would just conclude my remarks on the voucher system, Mr. Chairman, by saying quite candidly to the minister that it was interesting to have kite-flying while the hon. Member for Clover Bar introduced a resolution, fair enough. He has every right to do that, and well he should if he believes in this system. But I'm saying that if

the government's going to go in that direction, we ought to have the most extensive debate in this House. But it should only occur after we have had — and I've called for hearings in other areas, and I don't see anything wrong with hearings — properly constituted public hearings by the Legislature as a whole. I don't think we should sort of slide into it. I think this is too important a question to do that. It seems to me that we have to have an opportunity for the people of Alberta to candidly make their position known. In my view, what we've got at the moment is, yes, maybe we'll look at it and experiment with it. But if the government is serious about it, let's lay the cards on the table, have a white paper, and then we know where we're going. Those who favor the idea can argue in favor of it, and those of us who have concerns about it can express our concerns. But let's not do it bit by bit, and slide into it by the back door.

The only other thing I want to say, Mr. Chairman, is to repeat my previous oft stated concerns about the funding system. I know we are once again in the process of reviewing the education funding system in this province. But none of us who have attended meetings of rural trustees can be under any illusions about the difficulties of financing rural schools, and that our present funding system — while some improvements have been made, just before the 1975 election as an example — the dollar still doesn't go as far when you've got a sparse population, higher energy costs, bigger distances to run your bus fleet, and the physical plant structures themselves needing repairs as is very often the case, especially in many of our northern schools.

Just recently, we had a school burn down in Fairview. I have to say that it was fortunate for the children of the community that it happened at 5 o'clock on a Sunday morning. Because that old building was in such a bad state of repair that it went up like a Roman candle. But over the years, the school board — there are far worse schools than that in northern Alberta. I travelled through the Northland School Division and saw the school that became the centre of the controversy that the minister finally appointed a commission to look into. The school is just in dreadful physical repair. When you've got maintenance costs and physical structures like that, boy that has to add to the dollars to run the system.

I would say, Mr. Chairman, that while we have worked on changes in our rural funding formula, we still have not overcome the disparity. Too often the way in which rural divisions balance their budget is by cutting back on programs, by not having in place some of the programs that young children in the cities of Edmonton and Calgary take as a matter of course. I suggest that we have a lot of rethinking to do, in terms of a restructured foundation plan to provide genuine educational equality of opportunity for the children of rural Alberta.

MR. DEPUTY CHAIRMAN: Does the hon. minister want to answer the individual members? There's quite a list.

MR. KING: I had a request, Mr. Chairman, that we might first entertain some questions about the Kratzmann report. I'd be willing to do that, and then deal with the other matters.

MR. DEPUTY CHAIRMAN: I don't know what questions members are going to have. According to my list, the next member I'd recognize would be the hon. Member for St. Albert and then the Member for Clover Bar.

MR. KING: Then perhaps I could now attempt to answer the questions that have been placed by the hon. Member for Spirit River-Fairview, since there are a number of them.

First I think I would like to return for just a moment to the question of support for education in the province. I am concerned about conflicting opinions and pieces of information that are being expressed in the media and on the floor of this House, and I'd like to deal with them for a moment. There are two ways of measuring support for any endeavor: one is on an absolute dollar basis, and the other is on a relative basis, a measure of effort or of share. When you're measuring on an absolute dollar basis, the most important thing is that you measure comparable input costs.

If you are going to compare dollar support for education in Alberta with support for education in Ontario, you have to make sure you're measuring the same product. First or all, for example, is your definition of staff common? Do you treat people performing similar jobs in a similar way? Secondly, are your employee costs common? For example, I have one set of figures here from the Canadian Teachers' Federation which, when it measures support for education in Quebec, includes the cost of teachers' pensions; when it measures support for education in Alberta, it does not. That one cost alone is 7.5 per cent of the cost of instructional salaries, which is in the order of 75 per cent of the budget of any educational system. The decision to include that as an educational cost in Quebec and to exclude it when you are calculating the cost of education in Alberta obviously makes a significant difference, and it is replicated time and again when you make each discrete decision about what you will include or exclude in one jurisdiction or another. The third example I would cite is that capital costs and capital debt have to be treated in an equivalent way from one jurisdiction to another. Yet in many of the statistical surveys we use, this is not done. Finally, program costs have to be equivalent.

It seems to me that the two best measures we can use — that is, measures which have attempted to apply common standards from one province to the other — are the measures of Statistics Canada and the measures of the Council of Ministers of Education of Canada. I can only repeat to you that on an absolute dollar basis, accounting as much as possible for a common base from one jurisdiction to the other, Alberta ranks second in Canada in 1979, which is the last year for which we have final data. Alternatively, if you don't like the absolute dollar basis, if you don't like to consider that Alberta is second in Canada, you can use relative measures of effort, and there is a variety of them. They are subjective measures. They are valuable if people understand and respect their limitations. I had the feeling that such understanding and respect was not evident in the comments of the hon. Member for Spirit River-Fairview this afternoon.

In the last 10 years in Alberta, we have been baking bigger and bigger fiscal pies. The pie is getting bigger faster than the population is growing. We are inviting people to share in that pie today in ways they did not share 10 years ago. We cut up that pie today to include a piece for the natural gas price protection plan, and I think the hon. members of the opposition want us to continue with that plan. We cut up the pie today to include money for the major cultural and recreational facilities program, and I think they want us to continue cutting that piece. We cut it up to fund an expanded day care program, and I think the hon. members of the

opposition want that expanded day care program. We cut out a piece for senior citizens' programs, and I think they want that.

We're cutting the pie today to provide pieces that respond to needs which were neglected 10 years ago. In order to cut new pieces to meet new needs, all the original participants, all those of us who originally shared in the pie, are taking a slightly smaller piece proportionately, but not in terms of its actual value. That includes education as well as hospitals, advanced education, transportation, and agriculture. But I don't think any of us have suffered. If I can use a mathematical analogy, one-quarter of a 12-inch pie is 1.7 times as much as a third of an 8-inch pie. We can take a smaller piece of a bigger pie and still have much more than we would have had if the pie had remained the same size as 10 years ago. That's all we're engaged in.

I don't know what else it would be appropriate to say about support for education in this province. I could note that local support — that is, the supplementary requisition — is less than average across western Canada. I could note that local school divisions have an accumulated surplus of \$34 million in 1980, and that it's quite evenly distributed. Divisions as such have an accumulated surplus of \$9,655,000; counties, \$7,212,000; districts, \$9,085,000; Roman Catholic separate school districts, \$7,044,000; others, \$1,045,000: for a total accumulated surplus of \$34,043,000 in jurisdictions of all types. Compared with the budget for Education, that is not a large amount. It is in the order of 3 per cent. On the other hand, as I mentioned earlier, it is spread equally across all types of jurisdictions, in almost direct proportion to the population of students that they educate and is, by and large, common to all jurisdictions.

What about local effort? I'm not sure I can find the slip of paper which I forgot to pull out, but I'd like to come back to local effort in just a moment because the vast majority of local school jurisdictions in this province are requisitioning below the maximum that is allowable to them. If I remember correctly, only two are requisitioning above the maximum that is ordinarily provided, and a very, very small number are requisitioning at the maximum. The fact of the matter is that if you are concerned about provincial effort with respect to education, you might be equally concerned about local effort with respect to education. All of that is less important than the fact that we are funding education above the average for Canada, and that no one can demonstrate to my satisfaction that spending \$50 per capita more would improve the quality of education our children are receiving. In the final analysis, that is what this is, or should be, all about.

To return to the Kratzmann report, only briefly, I want to be understood about recommendations 1 and 2. I have said I do not reject them out of hand. I have also said that I am very, very concerned about the work of the Kratzmann report with respect to recommendations 1 and 2, and that because of my concern I think the department and the government must go over that ground again. From a reading of the report, I think it is quite clear that the commission did not attend to the fourth of its terms of reference. It did not compare the Calgary situation with other jurisdictions in the province. There was no attention to the commission's fourth term of reference. Hon. members are welcome to review the report again in light of that comment.

Secondly I think recommendations 1 and 2 are a non sequitur when considered in light of the body of the report. To talk about 20/20 vision, about teachers requir-

ing more time so they can counsel high school boys and girls who have serious problems originating outside the school, does not address the problem at all, unless at the same time you are going to attend to the circumstances outside the school that have caused those boys and girls to bring their problems into the school. Twenty/twenty responds to the circumstances of the day and might be workable if you could guarantee that the incidence of alcoholism, drug abuse, teen-age pregnancy, despondency, and attempted suicide was not going to increase apace. But under the present circumstances, it is. The only thing we guarantee is a short-term palliative that will be unsatisfactory in the long term because those teachers will, of necessity, come back to us and say, what you gave us in 1981 wasn't adequate; we've got more problems; we need yet more time to do this kind of thing. It just isn't good enough.

The additional cost is not the \$140 million that was recommended by the Kratzmann commission. It is closer to \$320 million per year, in 1981 dollars, leaving aside a capital commitment of \$450 million over the next five years. What I must decide with my colleagues in government is whether or not, if we have \$320 million to put into education, that is the place to put it. Or is there something else we might better do with any additional money we put into education? I am not prepared to respond to the Kratzmann commission recommendation today when I know that in 18 months, when stage two of the finance study is completed, I am going to have a variety of other recommendations made to me, some of which will be for additional massive amounts of money directed to education in the province.

The question was asked, how are we going to evaluate the Kratzmann report? My answer is that I can't respond at this moment. We have it under discussion, and I hope we will be able to make a response in the very near future, I hope before the spring sittings of the Legislature adjourn. But I can't be precise at this moment.

The hon. member asked about The Teaching Profession Act. Negotiations are at an impasse. I have said to the Alberta Teachers' Association, and my colleagues in government agree, that under the circumstances a new teaching profession Act will not be introduced to the Legislature this spring or this fall. Sometime in the next few weeks, we will return to a meeting with the Alberta Teachers' Association. If the circumstances of that meeting are different, if we make progress, if I have something to take to my colleagues in caucus, then perhaps something will happen with respect to a teaching profession Act in the fall. But it will not happen if the Alberta Teachers' Association is fundamentally opposed to the precepts of the legislation. If they are not in favor of an alternative, we are quite able to live with The Teaching Profession Act we have at the present time, and that is what we will do.

With respect to the voucher system, I am personally in favor of an experiment with the voucher system. I would expect the government to support the idea of an experiment with the voucher system. We will not initiate such an experiment. If it is going to be done, it will be done upon the initiative of a local school jurisdiction. If they can make the proposal, if they can get the concurrence of those in their area concerned for education, on that basis I think I have every justification to support an experiment. But it will be upon local initiative. It will not be imposed by the government. It will be an experiment, and we have no intention of generalizing or of presuming to generalize across the province before we have experience

with the experiment itself. It would seem to me that it would not apply to category four. We have not been engaged in any major study of the voucher system ourselves. That of course is impossible to do if you don't have an experiment under way in the system. We have been gathering information about voucher experiments in other jurisdictions.

Reference having been made to category four schools, the hon. Member for Spirit River-Fairview decried the fact that the judgment had not been appealed, decried the fact that policy had been established by that level of court. I suggest to the hon. member that the policy was not established by the judgment of the court. The policy was established by the decision of this government that it would not appeal the judgment of the court. The policy decision was made where it should rightly have been made, around the council table of the government.

I too am concerned about private schools and the possibility that they might insulate the growth of intolerance in this province. I do not believe that that would happen. It might have been possible in years gone by when communities, isolated in their schooling from the larger community, could be isolated in their whole lives from the larger community. But that can't happen now. With the transportation and communication systems of this province and the interaction that must necessarily take place in every community, I don't have the same fear that the growth of intolerance is imminent by virtue of the existence of that small number of private schools we have in the province at the present time. They do not worry me in that regard.

Nevertheless, while the government supports the existence of private schools for those who consider them the only viable alternative, our regular preference is alternate education. I personally seek to encourage school boards offering alternate programs within their systems. I do it in my talks and in my private meetings. As my first preference, I encourage development of alternate programs. But where for personality or any other reasons alternates are not possible within the public or separate school system, then this government adheres to the right of parents in those circumstances to establish and support private schools.

Mr. Chairman, I believe those were the questions of the hon. member.

MRS. FYFE: Mr. Chairman, in my experiences I have found that many people are experts in education, either they went to school or have children in school. Therefore, qualifying on two sets of criteria, I will leap into the discussion. Firstly, I would like to compliment and pass out a few bouquets to the Minister of Education, because I think he has at least tried to do a significant amount in his portfolio. Criticism is often involved in doing things. You can often get away without criticism if you don't try to accomplish very much.

I think that moving in areas such as the multihandicapped, which does not affect a large number of students but is absolutely critical to a few families who face this almost horrendous barrier in the education of their young people, is appreciated very greatly. New areas in curriculum, new directions, and a thought-provoking discussion related to qualifications. While there's been a lot of controversy — and I think we've all been faced with meeting groups who perhaps had some very strong opinions — if a concept is worth its weight, it can stand up to challenges and criticisms. I think it's time that some of the basic structures of education are analysed. Our

basic system of 12 grades in elementary and high school, has really been here as long as the education system in Canada. Maybe that old system is the best. But I think it's important that we look at aspects of it and challenge it.

I would like to make a few comments related to small-growth areas, an area where I have some concerns. Small-growth areas, particularly within metropolitan regions, are suffering tremendous financial pressure at the local level, as has been communicated to me. While there still may be some room for local requisitioning, as the school requisition in some cases has become larger than the municipal requisition, local elected people feel tremendous pressure that they must control, that they must keep this balance. So if communities wish to have an expanded school system, they're going to have to look at the requisition. They're also in a different market, where they must compete within the region.

While I realize there is a grant that contributes to small jurisdictions, small schools do not enjoy the same economy of scale as larger school divisions. They must compete for teachers that cities often attract by paying higher salaries. They have very little choice in salaries. Their tax base is limited. They have had large increases in utilities — light and gas. Schoolbus contracts have been excessively large, compared to previous years. To maintain a small library, to have books that are current and to replace those that are damaged or out of date is difficult for small jurisdictions. Related to this area of finance, I would like to ask the minister whether the very detailed study being carried on — for which I commend the minister; I think that is an extremely important area — will be receiving submissions from jurisdictions that perhaps are a little unique?

The minister mentioned that \$50 per capita may not make a greater education system. But in these small jurisdictions, I would say that even a small increased per capita grant would certainly assist classrooms, for example, where there is a small number of slow learners and a smaller per capita teacher ratio could be extremely important. If that \$50 per capita simply goes across the board to smaller classes, to more books in the library, we likely won't see that much difference in the quality of education. But if it is applied to specific areas, then I think it will assist greatly.

I would just like to close by saying that whatever we do, I think we still must maintain the local autonomy we have and have had over the last years. We have two main boards that requisition at the local level, even though the hospital boards have very limited requisitioning power. To assume more and more fiscal responsibility at the provincial level takes away from that local autonomy. I'm extremely interested in the study taking place related to educational finance. I think it is extremely important. I don't think there's a member within the Legislative Assembly tonight who would say we do not all believe investment in education is a resource. Perhaps that is a bit of a hackneyed phrase, but it still is a basic truth. An investment in our children is the investment in our future. I would appreciate if the minister would comment related to the study.

Thank you, Mr. Chairman.

DR. BUCK: Mr. Chairman, I'd like to make a few comments on the start of the estimates of the Department of Education. I would like to say to members of the committee that when the minister indicated that the teachers are doing a good job, the school trustees are

doing a good job, the administrators are doing a good job, and still we have a problem, I could only arrive at one conclusion: the government's not doing a good job.

It's interesting that we always use statistics to prove the case we're trying to prove. The statistic that really interests me, Mr. Chairman and members of the committee, is from the annual reports of the Department of Education, 1971 to '77-78, where we see the percentage government expenditure going down all the time, from 84 per cent to the '77-78 figure of 74 per cent. It is going down every year. This decrease in the proportion of government spending is illustrated by a teacher who taught for 18 years, had elementary grades, 22 teachers under him, a principal, and after 18 years of dedicated service, specially concerned with learning disabilities, threw in the sponge.

I said to him, why would you do that? Well, he said, for the first many years of my teaching career, we couldn't identify children who had learning disabilities. We used to always say, they're a little bit lazy, they don't want to study, they don't want to do this, and they don't want to do that. So they used to write them off. They would just get passed from grade to grade. But, he said, now we have found out that they do have a learning disability. And now that we have diagnosed the condition, we can't do anything about it because there's no funding. He said, I don't mind teaching the children, but I don't think I want to stand and fight with the parents because the government doesn't give us sufficient funding. Basically that is what is percolating down through the education system.

We talk about the Heritage Savings Trust Fund. I think some of the greatest knowledge comes from farmers, men of the soil. [interjection] Mr. Chairman, this farmer came to me at a public rally — and women, the hon. Member for Three Hills says, but we'll just generalize and talk about farmers — and he said, you know, maybe I don't know that much. You politicians talk about the Heritage Savings Trust Fund, about a fund for the future, a fund for a rainy day. But, he said, as I'm riding up and down the field in my tractor, I've given this some thought. You know, he said, I guess I'm never going to see any use of the Heritage Savings Trust Fund for the future because my future is getting a little shorter, I'm getting up in years. But, he said, I do know that if we use funds out of the Heritage Savings Trust Fund for education, the future will look after itself. Mr. Minister, when we look at the Kratzmann report with that premise — I'd like to say that if all hon. members haven't read the report, I think they should do so. It is probably one of the best reports I've seen; it really gets right down to the nitty-gritty. We politicians always worry about the millions of dollars that will be spent. But it indicates the problems very, very clearly, and I don't think we can debate the education estimates without an intimate knowledge of the Kratzmann report. [interjections] The Kratzmann report should be prescribed reading for every member of this Assembly.

Mr. Chairman, when we compare our province with other provinces, we always have to be careful with statistics, that we're comparing red apples with red apples, green oranges with green oranges, or orange oranges with orange oranges, because we have to know what we're comparing. The 20/20 is not new to people who are educators, or who are legislators. Teachers, parents, and school trustees have been telling us this for years. As our schools got larger and larger, they were supposed to be more cost efficient. Well, maybe they were supposed to be cost efficient, but they are certainly not efficient in edu-

cating the child. So when we look back at the one and two room school, maybe that wasn't so wrong. Maybe we will see the return to smaller units, smaller schools. Maybe this is what the private school system is trying to tell us as legislators and people concerned about the education of children. We must get down to smaller classrooms, smaller schools.

I asked the hon. minister about what increase we've had in enrolment in the private schools. Maybe he has that information tonight. I think it would be very important for us to know. What is the proposed teacher shortage in this province? We all know some of the "in" terms, like teacher burnout, stress, lack of morale, lowering of morale. Well, maybe we are asking the teachers in our educational system to do too much. I think we are. We are asking them to educate our children, to teach moral values, to babysit, and many, many other things. As society becomes more wound up in trying to make ends meet, as there is disruption in the family unit, maybe we are asking too much of the educational system, and that percolates down to the teachers. Mr. Chairman, I would like to know about the proposed teacher shortage, the teacher turnover, and why the University of Calgary professors would be marching on the Legislature. I would also like to know from the minister why we are reducing academic training, or is that just another kite the minister is flying?

I would like to say to the hon. minister that if he has aspirations of being the next Premier of this province — and I hear scuttlebutt that these may be his aspirations — the first thing he should do is consult his caucus when he's going to make major changes to The Teaching Profession Act. I'm sure it came as a great blow to the members of the back bench. Probably the greatest deluge of phone calls I've ever received was over the proposed teaching profession Act. It is fine for the minister to do a 360 after the heat came on and say, well I didn't really mean that, fellow members of the teaching profession, I just threw that out for public discussion. Not only did the teachers get to the minister; I'm sure the government backbenchers got to the minister.

Mr. Chairman, the educational system is the responsibility of this government. Many years have gone by since they came to power. They have to shoulder the responsibility if the system is deficient, because they have been the government. I'd like to talk about the togetherness of communities. We talk about community schools. Well, the old one-, two-, and three-room schools were community schools. It's always quite interesting to see how history repeats itself. We have now discovered community schools. Well all the years I went to school, that's what we had, except we didn't know what they were called. There was involvement in the community, involvement of the teachers with the parents, the parents with the teachers. Maybe we are moving back to the community school we used to have.

The last point I would like to touch on, because I don't want to rethrash much of the old straw, is the voucher system. That debate will be this Thursday afternoon. Mr. Chairman, I brought the resolution to the Assembly because the purpose of a Legislature is to debate, to stimulate thought. I will not give the debate on the voucher system at this time. But I do compliment the minister — if you want to get back to your seat there, Mr. McCrae, then we'll be glad to debate from your seat. I do give the minister credit for intestinal fortitude, that he's got the jam to stand up and say we will conduct a pilot project if some jurisdiction is willing. Mr. Minister,

I do compliment you on that, because that is leadership, and that is intestinal fortitude.

We as legislators and people concerned about education of our children cannot show any cowardice. We must look at all avenues. At one time there were many people who said all we should have is a public school system. But an instance where we have the Roman Catholic separate school system does give us something to compare with. It does give us freedom of choice. We now have the private Christian schools giving us a third avenue, and the class four schools a fourth avenue for people who have strong religious convictions. Mr. Chairman, our contention as a party, and my contention as a legislator, is that people of this province are entitled to that choice. I compliment the minister that that choice is available. Not all things the government does are bad. But they get a little paranoid and think that if you criticize them a little bit, everything they do is bad. But that's not my problem if they have paranoia. Mr. Chairman, I . . .

AN HON. MEMBER: Para what?

DR. BUCK: . . . wish the minister well in a close scrutiny of the Kratzmann report, as the three educators who have signed their names to this report, are men of very, very high stature, who have seen education grow from its infancy in this province to where it is now. So, I say to the minister, good luck, because it's a difficult problem. The future of our children rests in the hands of the minister, and therefore I say, have an open mind, Mr. Minister. You will receive some good advice; you will receive some bad advice. But it's your responsibility to sort that out, and I sincerely wish you well.

Thank you, Mr. Chairman.

MR. MACK: In reflecting for a minute or two on the estimates of the Minister of Education, I'd like to comment briefly on the kite-flying. That was of interest to me. It was raised by both the hon. Member for Spirit River-Fairview and the hon. Member for Clover Bar.

Having met with a large group of teachers some weeks ago when the matter was of keen interest in the public eye and — I think it's fair to say — within the profession itself, and the comments from the profession, I think it's important that we place some things in perspective. I'm not so sure about the kite-flying to the hon. members, in that 11 meetings were held by the Department of Education, the minister not being present at all meetings, prior to any public announcement being made. I'm just wondering how much kite-flying the hon. minister was participating in when in fact they have had these meetings with the professionals in the field or the ATA who represent the teachers.

The simple fact is that communication was not funnelled down to the rank and file in the profession. That was made abundantly clear. And I think it's important for us to reflect on that, so that we place the matter in perspective. To test the water, as it were, in major issues, I think is a very prudent approach. I compliment the minister for assuring the members in the estimates that in fact it is his commitment that there will be complete communication with the responsible levels of the educational field and government prior to making any hard or fast decisions as to what changes may be offered and initiated. I appreciate that, because I have a very high regard and respect for those professionals in the field of education. I think they are doing an admirable job. I think they recognize that

they are preparing or at least dealing with the province's and the country's greatest heritage, our young people. I believe that the vast majority of the professionals in the field address their responsibilities in that manner. So I am pleased that the minister will discharge the commitment he had articulated.

In the matter of voucher system or private schools, I personally support the private school. I'm not overly burdened with the same concerns as the Member for Spirit River-Fairview, that we are going to bring doom and gloom to our professional school system. I think that any profession worth its salt will be able to take the tempering and the test it's put to. If it can't pass the test, it should be removed. I think the private school will create the mirroring from within.

What are the problems with the current public school system that young people and parents are opting for private educational systems? It's only fair that we provide and allow the alternatives to those young people and parents who want something different. They have had all the freedoms. They have had all those things that have robbed them from the values of life. And this comes from young people; not from oldsters, but from young people. The value of personal worth — and I don't know how you apply an economic value to that, because it's the most precious commodity that most of us have, and that's our families, our children and our grandchildren. These young people are seeking an educational system that will provide the values of life, values of personal worth, values of a family, the strengthening of a family. I'm not condemning the public school system. But the young people are obviously questioning whether in fact it's found there today. So they're opting for the private school, and for the options they can take in a private school that are not necessarily available today, be it religious training or whatever.

They probably want far more discipline than is currently being provided in the public school system. They are actually asking, give us the opportunities, give us the alternatives. So I do not fear that the public school system will dissipate. In fact I believe very, very firmly that the public school system will be strengthened as a result of the alternative being found, Mr. Chairman. Because whatever is lacking in the system, will ultimately come back to that system. The system will be strengthened and again will reach its full potential, as it had over the years. And it will be a much better, stronger system that will regain that respect it once had.

I think it will also provide the teacher with far more opportunity to actually teach rather than keep order in the class. I think that's an important element we ought not overlook, Mr. Chairman. There are conditions — and I certainly don't have the answers to them, but I believe that it's a societal problem. How do you reverse society? I think by providing alternatives, so that society will examine itself from within and ask some very pertinent questions as to where we are falling down. Why are we losing young people out of our schools, going by choice to a private school at heavy cost to the parents? In many cases, it's a duplicated cost. None the less they're opting out for the private school. So I certainly encourage the minister that if it be possible for any school that chose to try out the voucher system, I would certainly support that. I would not view it as a negative; I would view it as a positive. I believe that the end result would show a very, very positive, rather than a negative reaction in the educational system.

[Mr. Appleby in the Chair]

I believe that one of the foremost concerns of any family is the child in that family. This is why I believe every effort is being made within that family to ensure that the finest capability of training and maturing is available to that youngster. We cannot, we must not, overlook that very, very important element in the growing of our young people, and that is for them to be able to have the opportunity of choice and to gain self-worth. I think the most tragic experience is when I see a young person terminate, by their own hand, their life at 13, 14, or 15. I think it's very, very tragic. I seriously think that at some point we must ask ourselves: are we failing our young people? It's not money, Mr. Chairman. Money cannot buy those kinds of values. We may think it will, but it will not.

However, I think we can lead by example. We can provide opportunities. I would certainly encourage the Minister of Education, when assessments are being made as to how we can improve the system on an ongoing basis, not to close any doors. All doors should remain open, in order that we might capitalize on some of those things that may appear insignificant to us, and not just turn them aside as something that may be deleterious to the system itself. I think we should allow it to grow and come to fruition, because I believe that it will be the strengthening of our system, rather than having a negative or deleterious effect on the system.

Insofar as any of the major changes to the educational profession Act, I agree that the professionals in the field should certainly have direct input. I would further say that in talking to many of the professionals in education in the province, they themselves will confess that their conditions here are some of the finest anywhere in North America. I think if the truth was said, the ATA has some of the finest working conditions for their membership in the province. I commend them, because I think they have certainly addressed the issues insofar as improving working conditions for the profession.

On the 20:1 ratio of children to teacher, there has recently been a study in Ontario which clearly indicates that 20 or 27 children in a classroom basically does not improve the quality of education in that classroom. With all due respect to the Kratzmann report, I think there will be other reports in months and years to come which will probably differ from the Kratzmann report. There will be variances to that report. So I don't believe that because the Kratzmann report is before us, we should accept it without equivocation and adopt or initiate it within our system without any critique, criticism, or close examination so that it fits the mold within the province, rather than fitting the province into its mold. I certainly commend and thank the minister for, I believe, his courage. He's certainly carrying a very heavy portfolio. He's a young minister, but one of great courage. I commend him.

MR. HIEBERT: Mr. Chairman, I would like to make a few remarks. In view of the number of speakers, I will try to be brief.

A number of people have made comments with regard to the Kratzmann report, the internship proposal, The Teaching Profession Act, or whatever. We're all aware that there were a lot of issues before the profession and the public this past winter. It's interesting to note that other parties wanted to become engaged in the particular areas. I think it's important to underline that all in-

terested parties should have some say with regard to what happens with regard to those vital issues. Possibly a greater amount of attention has to be paid to how we have these groups participating in a public debate. I think it's very important to underline that education as an enterprise is not the sole propriety of any one group. We do have a very vocal spokesman. I would suggest that we must take every measure to make sure that parents, school boards, and other people have some involvement with regard to education.

I know that at times I'm very critical of public schooling and what's going on. But I think we have to look at it in a balanced way, that there is a lot of good going on. We hear comments such as more discipline, and so on, but I think one should remember that the profession requires support from the home at this time. It's very easy to be critical, but much more difficult to look for alternatives. I hear a number of people talking about sending their youngsters to private schools, because they are disenchanted with the public schools. I've had the opportunity to observe some families who have contemplated sending them to private schools. In observing the relationship and the performance of their children, I suggest to you that one could probably have identified 10 years ago what was happening.

I know that schools today are making an attempt to respond by providing alternatives in education, magnet school, or whatever, so they can meet the proliferation of needs that parents and young people have. We hear about the voucher system now being put forth as the panacea. I suggest to you that it will not resolve some of the difficulties we have in education. I think it's important, too, to underline that in the public school a teacher has no choice either in terms of the students they accept. If you want the street to go one way, where the parent can choose or select a school in terms of philosophies, policies, and objectives, maybe we should consider the reverse voucher in today's circumstances. If you go to some other countries, you will find they have simple philosophies in their schools, such as learn or depart.

Maybe we ought to look at what's happening in our schools, and rather than making them socializing vats at the high school level or making them into a custodial role at the elementary level, we should look at really what the school can do and how we can support the school in engaging in its objectives. I think the responsibility still rests with the individual student, with the family to some degree, and we ought to be looking at it from a balanced viewpoint, rather than setting up the schools as the fall guy. It's very easy to be critical, looking at it from the outside. I think greater examination needs to be done in all facets of schooling. Maybe as a society we have overemphasized and overweighted what schools actually can do. Maybe we think the school can be all things to all people. I seriously question whether it can. It can deliver in certain areas, but in others maybe we are shifting the responsibility to the wrong place.

I also have some questions I'd like to address to the minister with regard to some programs. I suggest there's a little concern out there as to what is happening with the development of the comprehensive exams. Will the schools be receiving information shortly on the implementation schedule, because I think there's a certain degree of anxiety among young people when they're going to be facing exams or evaluations of that nature.

With regard to the social studies program — and I commend the minister for introducing this particular approach to the implementation of such a wide-scale

program — will the \$2 million-plus for in-service be extended beyond the selection of the 125 teachers who will carry out the seminars and in-service projects, and will school boards be able to release their teachers and apply some of that money toward substitute services? Will there be any front-seeding of money so there will be ample supplies and materials, so that all programs will start on an equal footing throughout the province? That way certain school boards will not be able to short-change the program, and we'll be able to assess the feasibility of the program in all areas of the province.

With regard to business education, in terms of specific programs, maybe I should leave that to another particular vote. I would also like to indicate to the minister that there has been some representation by urban separate schools with regard to the foundation grants and the supplementary requisitions. The differential has been increasing, and I would like the minister to give us some assurance that this particular differential, which is a rather significant amount now, is going to be addressed seriously when we're looking at the education finance plan.

Lastly, with regard to the heritage scholarship fund as it applies to high school students, I note the criteria were established for grades 10, 11, and 12 students, but I think some clarification is required. Is a student eligible for grades 10 and 11 components of the program if the student falls short in the grade 12 year, yet they have an average to continue in a postsecondary institution? I think that needs clarification. Furthermore, is there a degree of bias, in that certain students who are engaged in technical/vocational programs in their senior year may be taking more than 50 per cent of their program outside some of the options or criteria selected in the program? Could some thought be given to how they could be included with a different course selection in their high school years?

Maybe I could leave some of the other questions until later, Mr. Chairman.

MR. GOGO: Mr. Chairman, originally I just wanted to make a comment about Kratzmann. But in view of the comments I've heard, I'd like to make one or two other comments. First, with regard to private schools, I'm somewhat surprised at the comments of the hon. Member for Spirit River-Fairview. I did not appreciate that it was clearly a policy of the New Democratic Party of the province of Alberta that they did not support private schools. I learned that tonight.

I can only speak relative to the constituency I represent, which has, as the minister is aware, a very successful private school by the name of Immanuel Christian. I happen to believe in local autonomy and local decision-making. Where parents are prepared to spend \$1,500 a year plus \$500 for busing, they must obviously feel very strongly about a system or very strongly against another system. That school is continually expanding. The enrolment now is over 700. Many members feel that that private school receives the same funding. In actual fact they receive 65 per cent of the operational or instructional costs; nothing to do with bricks and mortar or high interest rates. So I don't think they are in any way supported to as great a degree as some people would anticipate. I also realize that this government is committed to a policy of increasing that to about 80 per cent over time.

I understand very clearly, and maybe it's the way the pendulum swings, that he more successful the private

school is, it's at the expense of the public system. I'm aware of that. But surely it's a realization that many parents are saying, look, I can't fight city hall or change the present system, and I don't have time, because by the time it's changed, my children will be parents; I have to do something, and for that reason I look for the best system there is. I suggest that's why they're going to the private system. I think we as legislators have to recognize that, certainly within our constituencies.

Reference was made to schoolteachers in several ways, Mr. Chairman. I don't know why, but it seems to be that when you stand up in this House or anywhere else and are a little critical of the educational system, you're automatically critical of schoolteachers. I don't accept that. You know, we all stand around here and criticize highways and potholes. We're not criticizing the Minister of Transportation or the 'highwaycrat' who's responsible for doing it. We look for reasons, and generally they're funding reasons. I don't see why it should be assumed that when we're critical of the educational system, we automatically appear to be critical of teachers. The Member for Clover Bar made a very good point — one of the very few I've ever heard around here from the Member for Clover Bar — and the Member for Edmonton Gold Bar touched on the same thing, and that is that schools can't be all things to all people, although in our democracy we try to fit them in that way.

The Member for Grande Prairie was telling me he was one of 52 students in a school, grades 1 to 9. But today it's different. Almost by definition you can go through the number of people who show up today expecting instruction at a morning class and find out the number from single-parent families, the number who have alcoholic parents, the number who don't have parents, the number who haven't had breakfast. The schoolteacher's expected to cope with all these things. Frankly, I don't see how teachers — certainly not all teachers are able to do that.

I was in a school last Friday, speaking to a group of 150 students. I was very impressed not only with the students but the calibre of teachers. The principal of that school will be the new principal of a community school, something new in my community. Again, the Member for Clover Bar said it's not new. Well it's not new, except in 1981. It's easy to look back 30 years ago and believe that community schools then were the same as community schools now. Frankly I think it's one way of resolving our excess capacity in terms of school space.

I had the opportunity several years ago to attend a school at De Kalb, Illinois, part of the university there. As I recall, they took 10 youngsters who were total failures at the grade 8 or 9 level, put them in the university in a special class, and within 12 months they were grade A students. So it can be done; there's no argument that it can be done. But can you do it for the masses within reasonable cost? That's probably the question.

Looking at Kratzmann, Mr. Chairman, and that's really what I wanted to speak about. I have a document in front of me. I think it's authentic, because it comes from the Alberta Teachers' Association, and one would assume that whatever you receive from them is authentic or they wouldn't mail it to you at 28 cents a copy. It refers to the Kratzmann report. In fairness to Dr. Kratzmann, he's only the chairman — sometimes I think it's a shame that when you're the chairman of something, you're constantly quoted. But he makes reference to some statements that I feel should be out in the open. One of them is, "Teachers' working conditions are really inhuman." Now I associate "inhuman" with Auschwitz, Buchenwald, and some of

those terrible places. I recall watching kids starve to death in Korea in 1952. I thought they were inhuman conditions. I have great difficulty rationalizing that. I don't know what we paid him, but I take issue with his using that statement in referring to working conditions of Alberta teachers as being inhuman. He's obviously academically mature, because he goes on in the following statement to use a term such as "work-induced stress is generally dysfunctional". Obviously anybody who can use those words can use better words to describe what I think would not be inhuman working conditions.

He goes on to say that "teachers go crazy oftener". I didn't know they went crazy at all, but he uses the term "teachers go crazy oftener". I would certainly object if I thought for one moment there were oftener crazier teachers, certainly teaching my child. He goes on to say, "... and die younger than other professionals". Well, I felt we were trying to rationalize whether or not they were professionals. I was unaware that they die younger.

AN HON. MEMBER: Compared to doctors.

MR. GOGO: Compared to doctors, says the voice to the rear. He goes on to quote an authority — again, I don't want to take issue. The document has several pages of references, probably 50 or 60, of which three are from Canada. The rest are from other parts of the world. Whether the credibility of those is in direct proportion to the distance from whence they came — perhaps they are, in which case they are very important sources of reference. He does quote Stephen Truch as a Canadian authority on teacher burnout; however, I see he lives in Navato, California. He talks about teachers dying, and I quote from the report. It concerns me, because if it's true the life expectancy of a teacher — not a parachute instructor, not an under-water scuba diving instructor, not a demolition teacher; presumably it's a teacher found in the elementary schools of this province, by inference anyway — "is four years lower than the [Canadian] average". That worries me, frankly. I had no idea our teachers were dying that young from overwork, long hours, or inadequate compensation.

Mr. Chairman, the only reason I rose was to point out that I really took issue with the Kratzmann report. I won't comment — the Minister of Labour or the Minister of Education might — on the quality of the report. I look at the terms of reference in the back of the book. Of all the terms of reference, or the sources of reference, frankly I don't find item four mentioned in much detail; that is, "district and provincial facts, past and projected, concerning variables" et al. within the province of Alberta. I don't see that mentioned, and I don't want to take particular issue with it.

I want to close with the comment that the Member for Spirit River-Fairview said — and he believes he's right, because he receives those statistics from other parts of Canada. Perhaps even Mr. Broadbent in Ottawa says we're 10th in Canada in funding education. If that's true, when I read Edmonton statistics that talk about \$2,500 per child in the educational system and read where Newfoundland is about \$712 per child, I have great difficulty understanding they're number one and we're number 10. If that's what we're teaching our kids in school, no wonder we have a problem. If that's the new math system, Mr. Minister, so be it.

I commented earlier in my term in the House about when the Minister of Consumer Affairs was Minister of Education, there never seemed to be any keffuffle in

Education. But since the present minister has been charged with that responsibility, it seems that invariably my mail is heavier. New ideas are constantly being either attempted — yes, some of them with not a great degree of success. But I will say, Mr. Chairman and colleagues in the committee, that the hon. Minister of Education continues to make my life as a legislator exciting. He brings to education in Alberta a constant challenge, and I can't help but think that when the young people in our school system today look back sometime in the future, they will appreciate the role of the present Minister of Education.

Thanks very much.

MR. LITTLE: Mr. Chairman, I too would like to echo the sentiments of the Member for Lethbridge West. No minister in this government has created more controversy, more interest in my constituency than the present Minister of Education. In fact I would say he's better known in that constituency than the Prime Minister of Canada. I won't say whether it's for him or against him at this point.

Mr. Chairman, in February 1981 the Calgary board of education appointed a public task force to study the implications of the Kratzmann commission report for the school district. Last Tuesday evening, the first of four meetings was held in the city of Calgary, which I attended in company with the Member for Calgary Forest Lawn. Most of the points have already been dealt with, so I'll be as brief as I can. The only area that concerns me most is funding. The meeting was almost equally represented by teachers and very concerned parents. When we got right down to zero in on the parents' concern, it was the cost of implementing the Kratzmann report. I appreciate that earlier this evening, the minister gave an explanation of the \$750 million to implement the Kratzmann recommendations throughout the province of Alberta. So, Mr. Minister, I find it extremely difficult to reconcile that with the \$51 million this task force claims it will take to implement the Kratzmann recommendations, in particular the 20/20 concept in the city of Calgary. When I say I have a great deal of difficulty with this, when we realize that Calgary represents approximately one-quarter of the population of Alberta, these things just don't jell.

[Mr. Purdy in the Chair]

Incidentally the task force was able to sell this idea of the \$51 million on the basis that it would most likely be funded by the province of Alberta. But if it weren't, it would cost each household only \$109 per year. That seemed a relatively small amount, and it got their interest.

This 20/20 concept also gives me some problems. I visited most of the schools in my constituency, and I've discussed it with teachers. I say to them that I just can't understand. I was a product of the 40 or more students in a room, and I think most of us coped reasonably well. Why do we have to go to 20 now? Mr. Chairman, without fail these teachers do not talk about education. They give me the litany of social problems, which the minister spoke of earlier: drug abuse, alcohol abuse, despondency, suicide and, even more frequently, the latchkey kids. To the members who aren't familiar with the term, that's the youngster who wears the key around his neck because his single parent has left home before he gets up in the morning and hasn't returned when he returns in the evening.

Once again, we have a discrepancy in numbers. A trustee of the Calgary public school board, who is also a

member of this task force, stated that in the city of Calgary, 75 to 80 per cent of students came from single-parent situations. I thought that was an absolutely startling figure, especially in view of the fact that Dr. Pearce, who recently did another type of survey in the Calgary school system, quoted that the single-parent family situation was almost 50 per cent, which I also found shocking.

The area I just can't grasp at all, Mr. Chairman, is the fact that teachers deal with all these social problems. Who in the world ever said that teachers were responsible for social problems? Are there not other agencies? Or best of all, can we not get parents involved in raising children? You know, it's an old-fashioned idea, but I think it would be really great to bring it back. [interjection] If you could find them — the Member for Lethbridge West. I believe that pretty well covers the highlights of the meeting, Mr. Chairman.

I said the minister made things interesting for me. The Kratzmann report came out shortly before I went on vacation last winter, so I took it along and studied it. I thought that when I returned from my vacation there would be many calls concerning the Kratzmann report, and I wanted to be really up on it. When I returned home, my daughter had a long list of phone calls to return, many, many of them school teachers'. When I responded, they didn't want to talk about the Kratzmann report. They wanted to talk about The Teaching Profession Act, which I'm not familiar with.

MRS. EMBURY: Mr. Chairman, I'd like to commend the Minister of Education for the opening comments he made today with regard to his department. I think they were very pertinent and, I know, very helpful for many residents of my constituency. Calgary North West has a large number of teachers living in that area and a lot of retired teachers also. As teachers and parents, they are keenly interested in high standards of education.

I tend to speak to the estimates in a positive way, looking ahead to the year we are speaking about, 1981-1982. Because of the serious situation we had in Calgary over the past year, I think it bears a few comments. I think it has already been stated by many people this afternoon and this evening that there is real concern of morale problems within our teaching profession and teachers who teach in our area. I've heard it from teachers in elementary, junior high, and high school and from principals of those schools. They made representation to the Kratzmann commission. When you read their representations, many of their concerns are very legitimate. [How] or why they're going to be solved will no doubt be a problem for all of us to consider. I think it behooves all of us to look at the concerns of these teachers and try to analyse some problems they face teaching children in school.

One of the heartbreaks — and it was sincere — was to have many, many telephone calls from parents. They were extremely frustrated with the teachers' strike that started last spring, went on through the summer, and of course into the fall. Naturally the major concern was the educational system. Somehow, parents are certainly not well-informed on the collective bargaining process and the rights teachers have in that process. When the strike ended, everyone seemed quite content to have the system back to normal and hopeful that the educational process for students would carry on. I mentioned last fall that there was grave concern in my area for grade 12 students in the semester system. I've had subsequent comments that most students are managing within the system, but

some parents have found it very stressful for their students in grade 12 to cope with the added workload placed on them to complete work they have to do within this semester system.

Another concern I have in Calgary North West is the early childhood education system. I notice that budgetary items are in the estimates. Hopefully the minister will address one question I have; that is, the policy of this government. Is it going to be the policy that all early childhood education will be in the school systems? I have what I call a kindergarten, instead of early childhood education, that operates in the community centre. This has been carried out and supported by a group of dedicated parents. I would like to know what the philosophy of the department is going to be? Will these private kindergartens be supported, or are we going to be totally looking at integration in all our school systems?

I am also privileged to have a new, exciting community of Crowchild Ranch. The parents are working closely with the local school board in Calgary to hopefully come up with a proposal for a community school. I know there have been meetings, where they received co-operation from the Department of Education in the province. Hopefully this process will continue, and they will be able to overcome some problems right now and have a truly innovative community school.

I rather take exception to the comments of the Member for Clover Bar when he said that we're probably going back to something he remembers as a small schoolhouse that had more than one grade taught at the same time. I agree to the extent that a lot of our trends appear to be cyclic, and we revert to some fine ideas and carry on fine traditions. But I would surely like to say that we can take some good things from the past. I expect that community schools today, particularly in a vital, growing community in Calgary, will certainly have something much newer and more innovative, will be more progressive, and hopefully will provide a more optimum level of education for children than what the member was speaking about.

In closing, I would like to say to the minister that I guess my biggest concern — we've heard lots this evening on the Kratzmann commission and the recommendations expressed in that report. Somehow one has to wonder that one of our major problems is communication: Now I certainly commend the minister and his department for turning out many, many press releases. In fact I received so many of them that I found it extremely difficult to send them to all parents and teachers who are interested in what is happening within his department. So you can't say that that's the problem alone, because the information is coming to us. But somehow it certainly isn't sifting down. I would like to know if there's any way we can analyse the system of communication that is prevalent in the professional association we have been dealing with over these past six months. I can't believe how fast they get their communication down within their professional association to people right at the grass roots level. I urge the minister to consider analysing this type of communication, so that teachers and principals in school systems have a feeling that they know what is going on and there is some opportunity for them to have a little more input to the system.

One just marvels, on looking at the estimates — if you look at the percentages throughout the whole department and the budget: 24, 30, 17 per cent. It certainly is an indication that we are spending enough money, hopefully, to do our best in supporting education in this province. I hope that one consideration this year — in view of the

traumatic year we have gone through in education, particularly in Calgary — would be a consideration that we could analyse and look at the amount of money we're spending and say, yes, we know that that money is being spent very carefully and to the benefit of all students in this province.

DR. CARTER: Thank you, Mr. Chairman. My comments to the minister are brief, but very sincere. I thank you for the extension of the educational opportunity fund, and in particular your support and hard work on behalf of additional funding for urban native programs.

MR. HYLAND: Thank you, Mr. Chairman. I'd just like to make a few brief comments on the 85 per cent load factor, relating to school buses in the rural area. In talking to the school boards for the constituency of Cypress, I find they have problems with that 85 per cent load factor when they're trying to arrange their bus routes. Often they can come very close to it. But to gain that other 4 or 5 per cent to hit the 85 per cent or better factor, they end up with quite long bus runs. Thus some students spend up to an hour and a half on the bus per trip. I think if the factor were a little lower in more sparsely populated areas where the students have to go greater distances, maybe it would be easier for the counties and school boards to organize their bus routes.

Secondly, as I understand the loading factor, 85 per cent is set on the size of the bus and not necessarily the load the school bus route calls for. I might use the example of county of Forty Mile, where the buses are privately owned and contracted to the county. It's only good business that an operator would like to get a bus at least one size bigger, say a 36 instead of a 30 passenger bus, so that if a few more students move in, they don't have to trade their bus off in one or two years' time. They can get five or six years' operating out of it and obtain a reasonable profit. I have been told that the problem occurs that the factor is on the size of the bus. As I've said, it would only be good business to get a bus one size bigger than your route calls for. If there is a change in population, which can happen with one or two families moving in — if you're right at the size limit of your bus and you have one family move in with two or three children, it puts you over the size of the bus and you have to get a new bus with only a couple of years' running on the bus.

I'd like to ask the minister, too, if there's any thought to a possible experiment anywhere in the province where we would set a limit on the time students would spend on a bus, be it an hour, an hour and a quarter, somewhere in that area. That would be the limit that students would be allowed. Bus routes would be organized to pick up in the area furthest away from the schools, then they would be express buses to try to cut down on the time spent, especially by those in the early grades, 1 to 6.

MRS. CHICHAK: Thank you, Mr. Chairman. I just want to make a few brief remarks and perhaps ask the minister for clarification on one item.

I want to remark on the School Foundation Program Fund and what now appears to be an inadequacy. I know the minister indicated in one of his earlier statements in the House that this matter is under consideration and re-examination. Perhaps at some future time the kind of courses and the degree that the foundation should be expanded or extended to cover additional courses will come to fruition. I would like the minister in his remarks.

to give us a little more insight on where he's at on that particular study, the input that's being provided to him, and at what point he sees whether the Legislature may be involved in a debate for some additional collective input?

The other point I would like to raise has been put to me by a fair number of my constituents, parents concerned with the increase in property taxes for supplementary requisitions. I know that is becoming a very serious problem now for many families who are on somewhat limited incomes and find it a real hardship to continue to own their own homes and to pay this additional amount insofar as tax is concerned.

The other point is the differential — particularly in funding provided for the two school systems, the Catholic separate school system and the public school system — felt as an unfair kind of allocation of support funding in relation to the number of students within each system. There, as well, I think the minister has made some comment on a previous occasion, that this matter is being considered. Perhaps he could take the opportunity of the estimates to bring us up to date on how far he is in that particular study and review. Will it require any changes or equalizing of support [that] will require any legislative changes? What might be involved in coming to an early decision, hopefully during this calendar year?

As well, I'd like the minister to give the Legislature a clearer or better understanding on the matter of The Teaching Profession Act. He referred to it and indicated that he's somewhat at an impasse at this time. I continue to get correspondence and calls from many constituents, concerned parents, prospective teachers and teachers alike, on the difficulties or in fact the intention with respect to The Teaching Profession Act. Rather than my debating on how I understand and interpret the situation with what might have been a suggested proposal for new legislation, I would like the minister to expand on what was being proposed; what was being found objectionable by the profession; what alternative proposal was put to the profession if, in fact, one was; what the minister sees as the limitation he finds himself in — both for himself and perhaps as he has interpreted the messages from his colleagues or from members of the Assembly — on what might be acceptable in those difficult areas to the Assembly and to the public. Perhaps it's not so much what's acceptable to the Assembly, but what is acceptable to the public in a piece of legislation that grants powers to any individual profession.

Before I close my remarks, I want to commend the minister on the educational opportunities program, particularly the expansion providing additional funding and support for the urban native program. I know that a number of schools within my constituency, particularly one, have a very high population of native children, where there are some severe social problems, partly as a result of the way of life and lack of understanding, and perhaps the difficulties these people have faced in integrating into white society, so to speak, and the different way of living, problems the children experience because sometimes there isn't the kind of direction necessary from the home, as a result of lack of understanding, lack of education, or simply domestic problems. I want to congratulate the minister on expanding that. I know that the schools that do have this kind of concentration of the native population will really look forward to being able to carry out more of the kind of support program that is so necessary.

The learning disability fund, that is being continued, has been in place for a number of years. I know that any

expansion in the program is being utilized extensively and welcomed within schools in my constituency, because we do have a fairly significant concentration of people from other countries where there have been social problems, where they have had a totally different way of life, and are having difficulties not only in language but in integrating into our Canadian and Alberta life styles. Those are the comments I wanted to raise at this time. I do hope the minister will take some time to clearly expound on the matter of The Teaching Profession Act.

MR. L. CLARK: Thank you, Mr. Chairman. Mr. Minister, my concerns are with grants for small schools, for the declining enrolment grants, and the small school jurisdictional grants you have. In some areas in my constituency they have schools of 500, with four schools spread over a great area, children spending a long time on the bus, a 14:1 pupil/teacher ratio. I don't believe our grants are sufficiently covering the education of those children. To show you what is happening: this year, Starland School Division is estimated to have a 37 per cent increase after a 45 per cent increase last year on a supplementary requisition.

I guess there are only two remedies to this situation: further centralization or more money to keep these schools open. I say this because, like the Member for Cypress, I believe there is only so much time a student can spend on the bus. Today we're looking at schoolteachers saying they need 20 hours a week in the classroom. Then we have our students travelling three hours a day on the bus, six and a half hours in school, an eight and one-half to nine and one-half hour day for our students. To me, it doesn't seem fair that we expect our students to work that long to get an education. That is happening out in the rural areas today.

I've brought this up several times. I'm really concerned about this, and I hope that while you're doing the school financial studies, the study going on now, this will be taken into consideration so we don't have to further centralize our schools, and there will be further financing for the small, rural schools of 500 to 600 students scattered over a large area.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: That completes the speakers' list. Would the minister like to respond?

MR. KING: Thank you very much, Mr. Chairman. I think I have been able to group some of the concerns, and I'll respond to them on that basis rather than on the basis of individual comments by members.

First of all, with respect to finance, I would like to say that it is a simple statement of the policy of the government that we fund unequally in order to assure equity. We have a variety of different financial programs, some of which are pupil driven, some of which are program driven, and some which depend upon a measure of wealth in the local jurisdiction. By the mixture of all those, we provide a different level of support to different jurisdictions depending upon the need of those jurisdictions.

Mr. Chairman, if I could use two examples: approximately 93 per cent of the budget of the Lac La Biche School Division comes from the provincial government, because of its size, its small population, and its very poor local tax base. On the other hand, approximately 67 per cent of the revenue of the Calgary board of education comes from the provincial government, because it's a much larger district, much more compact, much wealthier.

er, and enjoys the advantages of the wealth as well as the advantages of scale. So what we want to do is fund unequally in order to assure equity.

The fact is that we have discovered problems and deficiencies in our current system of educational finance over the 20 years of its operation. They are the kind of problem alluded to by my colleague the Member for Drumheller. I certainly remember my visit to his constituency last fall. I remember the representations made to me by school trustees during the course of that visit, and I agree with the argument he is making to the Legislature.

The School Foundation Program Fund, at the time it was initiated in 1961 by the previous government of the province, was a lighthouse in North America. If the hon. Member for Clover Bar was so kind as to compliment me with respect to one specific activity I am engaged in, I can be so kind as to compliment the previous government for the school foundation program initiated in 1961. But the passage of time has demonstrated weaknesses, even in a program which was a leader in its day. It is precisely because of the recognition of those problems that we are engaged in this major review at this time. We want to address some of the problems, such as described by the hon. Member for Drumheller.

I'd like to say, and to be very unequivocal about it, that generally I do not believe in further centralization of the school system in this province. There may be some particular exceptions in a few jurisdictions of very small schools, but I want my colleagues in this Legislature to know that I am a supporter of decentralization. I am a supporter of smaller schools in urban areas as well as in rural areas and, as long as I am Minister of Education, we will address our attention to the means by which small schools can be maintained and the educational program of small schools enhanced.

I can only repeat what I said earlier, that stage two is meant to be collaborative. We will involve the Albert School Trustees' Association, the Alberta Teachers' Association, CASS, the school business officials, and the Alberta Federation of Home & School Associations. They will be members of the steering committee. In addition to that, we will invite any school jurisdiction or teachers' local to make submissions to the study. If the school divisions of the hon. member's constituency or of any other would like to make the case to this group for their own peculiar financial needs, now is the time to do it. We look forward to receiving such submissions.

A couple of questions must be answered with respect to school finance in this province. What precisely do we mean by a basic education? What is it that we consider basic? Secondly, is basic the same thing from one end of the province to the other, or is a basic education in the Northland School Division different from a basic education in the city of Edmonton? Thirdly, aside from basic education, how do we handle enrichment? Is it entirely the responsibility of the local board? Is it a shared responsibility? If it is shared, how do we share it? Those are three important questions, as well as a number of other questions, which must be answered in the course of this finance study.

Having made those general comments about the finance study, a couple of other particular questions were asked with respect to school finances. I recognize the differential in support that exists for public as opposed to separate school boards. At this point, that differential is almost entirely the result of the fact that residential assessment in support of the separate school systems is on average lower than residential support for the public

school system. The general flow of funds from the provincial government to either a public or separate system is comparable. In fact in many cases the flow of funds from the province is greater to the separate school board in an area than to the public school board, the reason being that we have compensatory funding programs, such as the supplementary requisition equalization grant and the small jurisdiction grant, which are more available to separate than public boards.

So the differential exists, and we acknowledge it. It is not the result of provincial funding programs; it is the result of an anomaly that exists in local residential property assessment. We can't attack the problem at that point, because of constitutional provisions of the Alberta Act and of the ordinances of the Northwest Territories. So recognizing it, if we are going to address it, it will have to be done by enriching the compensatory programs which originate with the provincial government. That is certainly something we are open to, and something we will consider during the course of the stage two study.

I made a point a moment ago about small schools, and I want to reinforce it. Ordinarily we do not support construction of an elementary school designed for fewer than 140 pupils. But when the Calgary separate school board asked for permission to build two schools designed for 75 pupils each, we supported that construction upon the request of the local separate school board. If they are prepared to take that initiative, I am prepared to support it.

With respect to early childhood services, the question was asked as to the future of community operators. I want to say that I entirely endorse the continued operation of private, non-profit, community-oriented early childhood services. I hope that is evident in some of the funding programs we have experimentally provided. I will continue to advocate that kind of support, and would welcome the support of my colleagues in response.

Costs associated with the Kratzmann report cannot be precisely established at this point. We can only continue to do more work in the area of costing. Yet I would say that basically the Calgary estimates, which were provided by the hon. Member for Calgary McCall, support the departmental estimates. The Calgary board of education educates just fewer than 20 per cent of the pupils in the province. So if you simply multiplied their \$51 million per annum for the Calgary public system by five, you'd come up with a figure of \$255 million a year, compared with the \$320 [million] I estimated. We believe the difference is accounted for by the fact that you can't do a straight multiplication. Circumstances in smaller, particularly rural, jurisdictions will result in cost anomalies. But on a province-wide basis, their \$51 million estimate is not really far off our own estimate of \$320 million per year additional operating cost. As you acknowledged, that's apart from our estimate of \$450 million associated with capital construction over the next five years.

A very good point was made with respect to communications. I can only say that the department is very concerned about communications. We have recently hired a new communications director, our former director having accepted a position in another department. One of the first responsibilities is going to be bringing to completion a communications plan for the department, which is not only a plan for internal communications but a plan to communicate with teachers, trustees, and other interested people across the province. As an interim measure, we have recently begun sending out different kinds of information to a wide range of people across the province.

including information about The Teaching Profession Act and internship, because we're trying to see to its greater dissemination through the system.

Questions about the profession and The Teaching Profession Act are appropriate and important. I support the aspiration of teachers that they should be treated as professionals, should have greater professional self-control, and should have greater responsibility for making appropriate professional decisions in the workplace. I want to see those things happen, and it is precisely because I want to see those things happen that I made some of the recommendations I did in the proposed revision to The Teaching Profession Act.

I would like to take a moment on that. The result of work done by the hon. Member for Edmonton Norwood was completed in a policy paper on professions and occupations that the former hon. Minister of Advanced Education and Manpower tabled in the Assembly on May 15, 1978 — the white paper on professions and occupations. In that paper the government set out certain principles which it said should be common to professional legislation in this province, which was not to say that all professional legislation would be identical, but that in one way or another it would contain these main principles. These principles were meant to represent the idea that professions do not exist as a creation of God. They are not sacrosanct. They are, in a sense, the result of a compact between the community and the members of the profession. Not even the legal profession is a result of an act of God. I saw the hon. Government House Leader, and I thought that had to be said.

The professions are a result of an agreement by which the members of the profession agree to tender services under certain circumstances, and the community agrees to give them certain responsibility for the exercise of that activity. It is a mutual agreement. And that is true for teachers, as for any other profession. Teachers do not get the teaching profession Act they want simply because they want it. The teaching profession Act has to reflect the equal interest of the teachers and the community, particularly including other reference groups who are concerned for education: the Alberta School Trustees' Association and the Conference of Alberta School Superintendents. It has to represent an equal interest and an equal advantage for both parties.

At the present time, the Minister of Education is responsible for teacher preparation. Neither teachers nor the Alberta Teachers' Association has any formal involvement with teacher preparation. At the present time, the Minister of Education is exclusively responsible for licensing teachers. Neither teachers individually nor the Alberta Teachers' Association has any formal role in teacher certification, and at the present time neither teachers nor the ATA has any formal role in decertification. Those three things — preparation, licensing, and decertification — are thought to be the characteristics of a self-governing profession, and teachers are not engaged in one of those three.

It is quite correct that the proposal I made did not give to the ATA everything they wanted. But it had these two advantages: it removed the three functions from the direct control of the Minister of Education and moved responsibility for those functions in the direction of the ATA; not to the ATA, not exclusively to the ATA, but it moved those functions in that direction. Secondly, and equally important, it would have established in the minds of the public the idea that the functions could be controlled by a body, the majority of which would have been teachers. Of

21 members on the commission, II would have been elected by the teacher members of the ATA; one of them would have been chairman of the commission. This 21-member commission would have been controlled in a simple majority by teacher practitioners, one of whom would have been chairman.

As I said a moment ago, Mr. Chairman, it did not give the ATA everything they wanted. But in two respects I think it constituted a significant movement in the direction they want. I believe it would have been helpful for teachers in the province; it would've enhanced the self-confidence of the profession; it would've enhanced the professional self-control of teachers; and it would've been good for teachers in this province. Nevertheless, as I said this afternoon, if it is the position of the ATA that they do not want a teaching profession Act having that commission as one of its features, we will remain with the existing Teaching Profession Act; we will remain with the status quo, where the Minister of Education is exclusively responsible for teacher preparation, for certification, and for decertification. If the position of the Alberta Teachers' Association is that that status quo is preferable to the proposal we made to them, then so be it.

Private school enrolment, Mr. Chairman: I can advise that as of September 1980, we had 3,174 students enrolled in class 1 private schools at the elementary level, 1,503 at the junior high school level, 1,850 at the senior high school level, for a total of 6,527 students. In terms of our total student enrolment, class 1 private schools enrol under 2 per cent of our student population.

With respect to a timetable for student exams, it's too early to be precise about that, but I hope we would be able to make appropriate announcements by the fall of this year. I think that would be sufficient for the interest of the students. With respect to social studies in-service, the money budgeted is for salaries for the release of the 125 teachers. It is anticipated that release time for other social studies teachers will be accomplished by different means. That is not part of the budget. We hope to have many of the resources in the jurisdictions before the end of June. Many of them are of course already in the hands of individual schools.

With respect to transportation, I thought the hon. Member for Cypress was asking a leading question, because I believe that by now a representative of the Department of Education has had meetings or a meeting with the county of Forty Mile, with a view to developing an experiment in rural transportation along the lines proposed by the hon. Member for Cypress. With respect to the heritage scholarships, I don't know the answer about averaging. I will get it and discuss with my colleague the Minister of Advanced Education and Manpower enhanced access to the scholarship program for vocational students.

Thank you, Mr. Chairman.

Agreed to:

1.01 — Minister's Office	\$185,470
1.02 — Deputy Minister's Office	\$409,700
1.03 — Finance, Statistics, and Legislation	\$1,620,200
1.04 — Educational Grants to Individuals, Organizations, and Agencies	\$550,000
1.05 — School Buildings	\$981,900
1.06 — Planning and Research	\$1,636,615
1.07 — Personnel Office	\$242,750
1.08 — Data Processing	\$1,740,870
1.09 — Communications	\$111,575

1.0.10 — Alberta Education Communications Authority	\$169,250
1.0.11 — Field Administration Services	\$509,900
1.0.12 — Library Services	\$340,725
1.0.13 — Educational Exchange and Special Projects	\$169,600
Total Vote 1 — Departmental Support Services	\$8,668,555
2.1.1 — Provincial Contribution to the School Foundation Program Fund [SFPP]	\$648,021,000
2.1.2. — Supplementary Requisition Equalization Grants	\$21,300,000
2.1.3 to 2.1.23 — School Regulation Grants	\$69,006,000
Total 2.1 — Grants to Schools	\$738,327,000
2.2 — Grants to Private Schools	\$6,690,000
2.3 — Early Childhood Services	\$33,571,000
2.4 — Educational Opportunity Fund	\$16,540,000
2.5 — Special Assistant to School Boards	\$37,206,000
2.6 — Learning Disability Fund	\$3,230,000
Total Vote 2 — Financial Assistance to Schools	\$835,564,000

3 — Regular Education Services

MRS. OSTERMAN: Mr. Chairman, a question. I didn't know whether you'd be going through it element by element. Would the minister please explain if the amount under Curriculum will take into consideration some of the new curriculum that's being developed right now? For instance, is it proposed that the new health curriculum will be further piloted under that amount allowed there, or what will be happening in a case like that? I would like to have information as to how curriculum goes forward after an initial piloting, and if the amount for it shows up under that Curriculum element.

MR. KING: I believe it is correct to say that the cost of piloting is part of this Curriculum element. So with respect to the health curriculum, the cost of piloting it is contained in element 3.0.7.

Generally speaking, new curricula are piloted for one year. An evaluation of that experience is done, which is conveyed to the Curriculum Policies Board. If it recommends it should become the curriculum of the province on the basis of the piloting experience, that recommendation is made to the minister. If he approves, by ministerial order it becomes the curriculum of the field; for example, health. I know that you are raising the health curriculum because concern has been expressed to you and to some other MLAs about the piloting of this health curriculum. It may be that the evaluation that is done will recommend further piloting or simply recommend changes to reflect concerns that have been expressed — those would be options. Conceivably it might recommend that we go

back to the drawing board with respect to the health curriculum. At this moment I can't tell you what the evaluation will suggest or how the Curriculum Policies Board will respond to it. I can say to you that after both those things have happened, it must still come to me to be approved.

MRS. OSTERMAN: Mr. Chairman, the minister is saying that within this vote there is room to consider all the options just enunciated?

MR. KING: Yes.

Agreed to:

Total Vote 3 — Regular Education Services	\$12,279,800
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Total Vote 4 — Special Education Services	\$13,064,785
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Department Total	\$869,577,140
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MR. KING: Mr. Chairman, I move that the vote be reported.

[Motion carried]

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports progress as follows, and requests leave to sit again:

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1982, sums not exceeding the following for the Department of Education: \$8,668,555 for departmental support services, \$835,564,000 for financial assistance to schools, \$12,279,800 for regular education services, and \$13,064,785 for special education services.

MR. DEPUTY SPEAKER. Having heard the report and the request for leave to sit again, are you all agreed?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, tomorrow evening it's proposed to begin the estimates of the Department of Social Services and Community Health.

[At 10:36 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]