

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, May 13, 1985 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 224**

**An Act to Amend
the Landlord and Tenant Act (No. 3)**

MR. MARTIN: Mr. Speaker, I beg leave to introduce Bill 224, An Act to Amend the Landlord and Tenant Act (No. 3).

It has two principal features. Number one, it would place definitions of both landlord and tenant in the Act, thus clearly specifying, among other things, that the duties and responsibilities of a landlord would devolve wholly unto the successors of a landlord. Two, it would create a requirement that tenants' security deposits be held in separate trust accounts by landlords, separate and apart from moneys belonging to the landlord and not forming a part of his assets.

[Leave granted; Bill 224 read a first time]

Bill 57

**Professional and Occupational
Associations Registration Act**

DR. REID: Mr. Speaker, I request leave to introduce Bill 57, the Professional and Occupational Associations Registration Act.

The purpose of this Bill is to provide a mechanism whereby professions and occupations that don't require individual, freestanding legislation can come under this umbrella, which will allow them to designate and protect the name of the profession or occupation. They will also be able to develop disciplinary and other requirements to protect that name.

[Leave granted; Bill 57 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. BOGLE: Mr. Speaker, I wish to table with the Legislative Assembly the annual report for Alberta Government Telephones for the 1984 calendar year.

head: **INTRODUCTION OF SPECIAL GUESTS**

MRS. EMBURY: Mr. Speaker, it's my pleasure today to introduce to you and to all members of the Assembly 154 grade 8 students from F. E. Osborne junior high school. They are accompanied by their teachers Mrs. Bishop, Mr.

Hanson, and Miss Tamagi; also by parents Mrs. Johnson, Mrs. Hugi, Mrs. Maloney, Mrs. Ruthen, and Mrs. Newman. I'd like to say that the students I know appreciate very much the sincere dedication of the teachers who have arranged this trip for them and provided me with the opportunity to speak with the students at F. E. Osborne.

Allison Pope, one of the students with the group today, was telling me when I stood beside her to have the picture taken that her great-great-grandfather was the hon. Alex Rutherford, first premier of the province from 1905 to 1910.

They are seated in the members' and public galleries, and I'd like them all to rise to receive the warm welcome of the Assembly.

head: **MINISTERIAL STATEMENTS****Department of Tourism and Small Business**

MR. ADAIR: Mr. Speaker, I would like to start my ministerial statement by asking permission to introduce three gentlemen in the Speaker's gallery: the Hon. Tom McMillan, Minister of State for Tourism and Member of Parliament for Hillsborough, Prince Edward Island; Dr. Brent Ritchie, president of the tourism industry of Alberta; and Ted Sample, director of market development, Alberta Department of Tourism and Small Business.

Mr. Speaker, it gives me a great deal of pleasure to announce the signing just a few minutes ago of a Canada-Alberta subsidiary agreement on tourism development for the province of Alberta. What a great and historic day for tourism, for it's our first ever tourism subagreement in this province.

The agreement is for a total of \$56.3 million over a period of five years, cost-shared on a fifty-fifty basis. There are six major program components identified for development under the agreement: facility and product development, alpine ski facility development, market development, training and professional development, industry and community support, and opportunity analysis and evaluation.

Mr. Speaker, the process that has led to today's signing began some years ago. The first sign of progress was June 8, 1984, when we signed a memorandum of understanding under the economic and regional development agreement. Since that date my federal colleague the Hon. Tom McMillan and I, together with our officials, have worked hard to develop the final package represented in this tourism subagreement today. I should also point out that officials in the Department of Federal and Intergovernmental Affairs, headed by my colleague the hon. Member for Medicine Hat, were very, very instrumental in helping us at that point as well.

It's certainly encouraging to note the co-operative climate that has developed between our two governments. Indicative of that is the fact that since Mr. McMillan was named the first ever minister solely responsible for tourism in Canada, and particularly considering his short tenure in office, he has signed more tourism subagreements than the previous government did in the last six years: a total of nine subagreements. As a matter of fact, Mr. Speaker, the hon. minister has been an extremely busy man, for this morning he signed a tourism subagreement with the province of Manitoba.

The Tourism Industry Association of Alberta and our other private-sector partners have long awaited this agreement, which clearly reflects their concerns, objectives, and

desires for support of the industry in our ongoing discussions over the years. I know that all members will wish to join me and our industry in expressing our appreciation to the minister and to say we all look forward to our future relationship to the benefit of both Canada and Alberta, particularly in the area of tourism.

Yes, Mr. Speaker, today is a great day for tourism, and in closing I want to express my thanks to the Hon. Tom McMillan and all the federal and provincial officials who were involved in this process. I might make one comment. Mr. McMillan stated that in discussions with the Prime Minister, they were prepared to provide \$1 million for each year of my age, inasmuch as it's my 56th birthday today. I thought maybe we had been somewhat remiss: we could have gone for weight, and we might have done much better.

Thank you very much.

MR. MARTIN: Mr. Speaker, when you were talking, I thought maybe you were going to hold out for \$70 million. On the face of it, it looks like a good agreement. Whenever we get money out of the federal government, I'm totally for it. I hope we pass it on to the minister of medicare. But obviously, from the ministerial announcement, I would certainly support it. We would want to look at the six major program components in a little more detail to see what it is all about. But I for one think that tourism could be much more of a major industry in this province. It certainly could be part of any diversification strategy.

In the ministerial announcement I noticed there was a thinly veiled political statement about how well the minister is getting along with the new Conservative government, but then I noticed he countered that with the fact that the federal minister had signed a tourism subagreement with the province of Manitoba. So I won't say it's political at this point.

All in all, Mr. Speaker, I think it's a good step in the right direction.

MR. R. SPEAKER: Mr. Speaker, in commenting on the statement by the minister, I too would look at the announcement as welcome in Alberta. The whole tourism industry is an area of potential that we really haven't developed. Alberta has the mountains, the prairies, the climate, many lakes of opportunity, and for some reason or other, I feel we haven't done the best job we could in that area. I'm not saying only this government but past governments, because there is great potential for tourist development, economic development, and job opportunity.

I would say to the minister that, in terms of detail, the area which would interest me very much is training and professional development. Having our people prepared to meet the tourists that come from other nations or from the United States I think is very important. It is one of the areas we haven't given excellent emphasis, and in this program I certainly hope that that kind of high priority is designated to that function.

head: ORAL QUESTION PERIOD

Construction Manpower

MR. MARTIN: Mr. Speaker, if I may change the tone somewhat, my question is to the hon. Minister of Manpower. It is a follow-up to the questions asked by my colleague on Friday with regard to unemployment. With reference to

the construction sector, the minister said that rather than sponsoring more construction

It seems to me it makes more sense to assist that sector to make the necessary adjustments so that we eliminate the structural problem in the labour force.

My question to the minister is: could the minister indicate what this structural problem is, as he sees it?

MR. ISLEY: Mr. Speaker, the structural problem is very simple. During the good years we built up a construction segment of our labour force that was pushing 12 percent of the total labour force. That means that 12 of every 100 people in the work force were employed in construction. That's approximately twice the national average and more than twice the average of the work force of established countries in the western world.

Keep in mind, Mr. Speaker, that during the past two fiscal years approximately 20 cents of every dollar spent on construction in this country was spent in Alberta, and even with one-fifth of the construction activity going here, we are still witnessing those high levels of unemployment. So that, very simply, is a structural problem. We have a sector of our work force that grew to the point where it's not sustainable under normal conditions.

MR. MARTIN: A supplementary question. I love these terms. He's explained the structural problem. I would point out that this government was in power during that time. You used the term "eliminate" the structural problem. Could the minister tell us what he means by "eliminate" and how we go about eliminating this structural problem?

MR. ISLEY: I would say that you go about adjusting or removing a structural problem by encouraging a better balance in your labour force, a balance that can be sustainable for the long term. I think we have to recognize that to develop structural problems of the type I've described is not unusual in a growing economy and a new province, but it's a hard reality of life we have to face.

MR. MARTIN: Yes, it's a hard reality that some of the unemployed are facing. There's no doubt about that.

To follow up, my question is: is the minister saying to the Assembly that well-trained, unemployed tradespeople should now and forever leave their field and look for something else? Is that what we mean?

MR. ISLEY: It's not quite that simple, Mr. Speaker. People who are in a position of surplus have a number of options they should consider. One is to remain in the area they were trained for and accept the fact that it's going to be a highly competitive marketplace. Another is to look to other areas of the province where the construction activity may be moving and seriously look at temporary relocation or travelling to and from those construction sites. Another thing may be to say that in the short term maybe I should be looking at changing my vocation, and if things pick up in the construction sector, then I always have the option of moving back.

Mr. Speaker and members of the Legislature, I think it drives home another point, that with a changing economy and a more industrialized society, the need is there more and more for us to convince people that you need more than one skill during your lifetime. The days are probably gone when someone can decide at the age of 18 what they're going to do and hope to be that for the duration

of their working life. I think the more we can get the point out to our existing labour force, but more particularly to our young people, that life is going to be an experience of training and retraining, the more we're going to have people who are prepared to adjust to the real circumstances of the economy.

MR. MARTIN: Yes, Mr. Speaker, it's good that we all have more than one skill. I hope the minister does also. In view of the fact that when I look at unemployment by industry in Alberta, from StatsCan it seems that most all the industries have unemployment, most of it high, my question to the minister then is: what jobs or retraining would the minister suggest that unemployed construction workers take up, in view of that high unemployment in other sectors?

MR. ISLEY: Mr. Speaker, if you're assessing the industrial sectors, you'll see that the unemployment rate ranges from a high of 28.9 percent in construction, which, by the way, is a drop from the previous month with the labour force remaining constant. So there's some positive movement there. It declines from there to 2.3 percent in the agricultural community.

I don't think anyone should say to someone else, "Hey, you'd better retrain for this or that." I still believe in freedom of choice when it comes to training for an occupation. I think it's the responsibility of the individual to get the best counselling available, to get the best information in front of them as far as what the marketplace is like in a particular sector, to assess very carefully their own skills and the transferability of those skills, their own likes and dislikes as far as the workplace, and with that best information in front of them, the individual then makes the decision.

MR. MARTIN: Freedom of choice is very nice. We all believe in that. I'm formerly a counsellor. I agree with everything the minister says, but you still have to have something to go to, and that's my question. He went down to the low in agriculture. In view of what's happening in the agricultural sector, is the minister suggesting that some of the construction trades should be looking into agriculture, farming, as a place they might get employment?

MR. ISLEY: Mr. Speaker, I was simply responding to the hon. Leader of the Opposition trying to mislead the House by suggesting every sector had unusually high unemployment rates.

MR. SPEAKER: I have difficulty with expressions like that. I don't think they're necessary in the question period or in a debating period. I really don't see a great distinction in principle between saying that a member has misled the House and saying that he's trying to mislead it, except that there may be more sting in the second alternative because it indicates he didn't succeed. Perhaps the hon. minister might deal a little further with that expression.

MR. ISLEY: Thank you, Mr. Speaker. I was simply using the example to demonstrate that all sectors do not have unusually high levels of unemployment. If you're going to analyze the stats, I think you will note that agriculture did show an increase of 5,000 positions from March to April. This does not necessarily mean we had 5,000 new farmers out there; it means that 5,000 additional people went to

work in the agricultural sector, which is primary production and some secondary.

MR. SPEAKER: With respect, I'd appreciate it very much and consider it a favour if the hon. minister might deal just a little further with the charge that he made about the hon. leader trying to mislead.

MR. ISLEY: Mr. Speaker, if you so wish, I will withdraw those remarks.

MR. MARTIN: Thank you, Mr. Speaker.

My question is to the minister, and I will not mislead the House with this question, I assure you. Does the minister have any projections to indicate what would happen if some major private-sector projects came on stream in the near future? Specifically what I mean by that is: because of the structural problem, as the minister terms it, will there be enough skilled construction workers left if unemployment remains high in this area? People will be leaving the field, leaving the province; young people will not go into it. It's a very highly skilled area.

MR. ISLEY: Mr. Speaker, when we study trends of that sector, we will note that for the past four months the level of that work force has more or less levelled off. We currently have a capacity of 24,000 unemployed people in the construction sector. I think we have a fairly accurate reading of the construction projects that are coming on stream and the number of jobs they are creating. The number is becoming rather significant, with the hiring up on Syncrude starting this spring, with Esso phases 5 and 6 moving shortly in the Cold Lake area, with the Husky oil upgrader, and a number of other projects located in places such as Peace River, Swan Hills, and Judy Creek, and the new activity in the Red Earth area. I think we have the capacity in the construction sector to respond to those needs. I would also point out that we have in place in this province a very well developed apprenticeship program delivered through some very well equipped institutions. We can respond in periods of shortages if the need arises.

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

MR. MARTIN: Then I'll go on to some other area. Just one other quote from the minister that I found fascinating; I always find the minister's quotes fascinating. With regard to unemployment projections, on Friday the minister said, "I'm not going to stand up here and project a figure we have no control over." My question is: was the minister saying that the government has no control over whether or not the unemployment rate goes up or down, that there is nothing they can do about it?

MR. ISLEY: Mr. Speaker, if the hon. leader had read the full response, he would have realized that I was making a significant difference between employment levels, the fact that they are to a certain degree predictable, and the unemployment rate, which a number of factors creep into. I will re-emphasize that if you want to make comparisons of how well one economy in this nation is doing compared to another, then you'd better go back and look at the employment to population ratio, because there you've got two fixed figures. You start running your comparison with the unemployment rate and a number of things can impact

it. The participation rate, the number of people over age 15 that say, "Hey, I want to be in the work force" — I believe I stressed that Alberta's participation rate, at over 70 percent, still leads the nation by far. If the participation rate goes up, employment levels can go up, and the unemployment rate will not necessarily drop.

The other thing that is not controllable and that I don't think we have a desire to control is the interprovincial mobility of the work force. Alberta's borders are open. As times start moving, you can suddenly have a reversal of the out-migration we experienced for a number of quarters, which now appears to be levelling off. That may reverse into a strong in-migration, and suddenly your labour force is growing at an unpredictable rate. All I'm suggesting is that you can predict employment levels, but you're getting pretty reckless when you start trying to predict unemployment rates.

MR. MARTIN: I wouldn't want the Minister of Manpower to get reckless.

Teaching Standards Council

MR. MARTIN: My second question is to the Minister of Education. It's one of his favourite topics, the Council on Alberta Teaching Standards. I'd like to file three copies of a letter written by the Member for Edmonton Glengarry to teachers in his constituency, in which the following is stated:

The ATA has three times rejected professional legislation that would split the union function from the professional function. The Minister decided to set up his own advisory committee to advise him on discipline and certification. This has to be viewed as a fallback position.

My question is: would the minister indicate if those statements are an accurate reflection of government policy on the matter of the Teaching Standards Council?

MR. SPEAKER: I think the question itself is in order, but relating questions to letters written by Members of the Legislative Assembly may not be an entirely desirable precedent. I could see, for example, that we could go around the House and collect copies of the mail of various members and, in each case, ask a minister whether those represent government policy. We might even have some letters written by members of the opposition given that sort of treatment. Under the circumstances, I suggest that that sort of inquiry should be made directly and without relating it to correspondence between a member and his constituents.

MR. MARTIN: Fair enough, Mr. Speaker. I accept the ruling. I guess my question is still the same. Is it government policy, the reason we have COATS set up, to split the union function from the professional function?

MR. KING: I think the hon. member would have to restate his question, because the second time, just at this moment, he has stated it in different terms than I understood the first time.

MR. MARTIN: No, it wasn't, Mr. Speaker. I was quoting exactly the same both times. My question is simply this: is part of the purpose of COATS to split the union function from the professional function? Is this government policy at this time?

MR. KING: Quite clearly, Mr. Speaker, we want to keep professional functions separate from "union functions". I'm using the words of the hon. Leader of the Opposition. I want to reassure the House, because I suspect I know where his question is leading, that to make a clear distinction between the two functions is not necessarily accomplished by having two different organizations perform the functions, a point that I've made in this House on more than one occasion.

MR. MARTIN: Just to follow up on that, Mr. Speaker, to clarify once and for all, I ask whether his unilateral establishment of the council on teachers' standards is part of an effort to split the union and professional functions of the ATA. Yes or no?

MR. KING: Absolutely not, Mr. Speaker.

MR. MARTIN: A supplementary question. You'd better talk to the Member for Edmonton Glengarry then, Mr. Minister. With respect to professional organizations' dual professional and welfare interests, the minister stated to this Assembly on May 8:

The teachers are the only group that has chosen a single organization, and we need to do some work in developing the model by which that choice could be implemented.

Will the minister advise the Assembly if that statement is still a government goal? If it is, how will the minister's unilateral establishment of the new council work to accomplish this goal?

MR. KING: Mr. Speaker, the position of the government, as expressed in the government's policy on professions and occupations, is that the organization representing the members of a profession may choose, or perhaps we should say that the members of the profession themselves may choose, whether they want to have one organization represent their economic interests and another represent their professional interests or do they want a single organization to represent both interests? That position of the government is very clearly stated in the government's policy on professions and occupations. We don't deviate from that as a statement of principle.

If the teachers wish to have a single organization representing both their economic and professional interests, then that is their choice to make. But as I said a moment ago, notwithstanding that that is the choice of the Alberta teachers to make, if they choose that both these activities will be embodied in a single organization, then on behalf of the public interest, we will ensure that the union interest does not overshadow the professional interest or vice versa. We will ensure in new legislation that those two functions operate independently of each other, even though they operate within a single organization.

MR. SPEAKER: Perhaps we could deal with a short further supplementary and a short answer. We've passed the halfway mark in the question period, and no other member has yet had an opportunity to put any questions.

MR. MARTIN: I'll move over about four, Mr. Speaker, and ask this question. I believe the minister said last week that if a new teaching profession Act is agreed to, the council would cease functioning and . . . the responsibilities of the council would be rolled up into whatever

new organization had charge of the operations of the profession.

Would the minister indicate to the Assembly what he meant by this? In other words, is there a new organization that he is planning in this regard, or is that a hidden agenda item that we don't know about?

MR. KING: There are no hidden agenda items, Mr. Speaker. The hon. member makes clear why there is an admonition against responding to hypothetical questions. I cannot say what the outcome of negotiating a new teaching profession Act will be. I can speculate about it, and I can speculate about it very hopefully, as I'm inclined to do. But I cannot give the House any assurance about what the outcome will be of such negotiations or what will be represented in a new teaching profession Act.

MR. GURNETT: A supplementary question, Mr. Speaker. The minister indicated earlier that he has a right to bring in the council without its being debated here. My question to the minister is whether he would be prepared to conduct open public hearings on the council to see what the rest of the people in Alberta think about the council?

MR. KING: If we were going to conduct open public hearings on the matter, it might be better that we conduct those in a broader context. Perhaps we should have open public hearings about the future of the Teaching Profession Act itself, within which context we might consider the Council on Alberta Teaching Standards. The suggestion from the hon. member is an excellent one, and I'll take it under consideration.

MR. R. SPEAKER: Mr. Speaker, my questions are also to the Minister of Education on this very same subject. As I understand it, the minister and the Alberta Teachers' Association agree that a new teaching profession Act should be put into place. The minister stated on May 7, in answer to a question from the hon. Member from Vegreville, that putting a new teaching profession Act in place would mean that at that time the council would no longer exist. My question to the minister is: on that basis, why does the minister not continue with the present circumstances where the minister is responsible for certification, rather than bring in this council at this time and then possibly in a year or two take away the objectives, goals, and duties of that particular council that they most likely will be achieving at that point in time?

MR. KING: Mr. Speaker, regulations under section 6(1) of the Department of Education Act make it very clear that the minister can revoke a teaching certificate for cause. The fact of the matter is that the minister has not had the means at hand of showing cause for the revocation of a teaching certificate. In other words, parents, members of the community, grandparents, foster parents, and interested Albertans have occasionally written to the Minister of Education and argued that some teacher has been practising incompetently in the classroom. We have not had the means of dealing with those letters of complaint when they come to the minister, who is the licensing authority for teachers in the province.

For as long as I have been Minister of Education, this has been something which I knowingly set to one side in the hope and expectation that we would be successful in bringing into this Assembly a new teaching profession Act

acceptable to the teachers and the public which would come to grips with this question. In six years we have not been successful in negotiating that kind of teaching profession Act. The new teaching profession Act has not come into this Assembly. I see no prospect that it will come into this Assembly in the near future. I am absolutely not willing to let the situation continue any longer where people express concern about a very few teachers who should not be in the classroom and the minister is without the means of coming to grips with those concerns.

Clearly, it is the case that the minister cannot personally go into those classrooms. Even if I were able to, I am not trained or experienced to do the job that needs to be done. In other words, the job must be taken on, and it must be taken on by people who are prepared to do what needs to be done.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. I appreciate the predicament the minister may be in, but in terms of the teachers' professional Act that has been under negotiation, as I understand it, is it the government's position that that group of persons within the Act must consist of citizens at large, such as are on the Council on Alberta Teaching Standards, or is it the government's position under the Teaching Profession Act that that group who could work in terms of advising the minister could be of teachers only?

MR. KING: Mr. Speaker, I think it's fair to say that this government holds teaching to be a very, very important profession. In that sense, unlike other professions in the province, we believe that there is a role for the community to play in assuring the standards of the profession, because it is our children who are in classrooms. So I think it's fair to say that the position of the government is that we believe the general public should have a role to play in dealing with the kinds of questions alluded to by the hon. Member for Little Bow. At the same time, it continues to be our hope that that will be done in the context of a new teaching profession Act. If I could put it this way — and I know I am phrasing it rhetorically — does the hon. member believe that we should leave ourselves for another year or two or three, for as long as the negotiation of a new teaching profession Act may require, without the means of dealing with those letters that come to my office from parents who are concerned about what is happening to their children in the classroom?

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. It's in terms of the negotiations. Is the minister convinced at this time that negotiations cannot occur between the Alberta Teachers' Association and the minister to reach some kind of amendments or a new teaching profession Act? Are the negotiations stalemated, and as far as 1985 is concerned, no agreement can be reached?

MR. KING: As I have said on more than one occasion, Mr. Speaker, I am always prepared to meet with the Alberta Teachers' Association to discuss a new teaching profession Act or, in the early stages of such meetings, to have people meet on my behalf, on the understanding that I would be involved at an appropriate point. We're always prepared to meet with the Alberta Teachers' Association.

Having said that, it is important to state that professional legislation is not a gift that the community gives to any group of professionals. Professional legislation exists first

and foremost to protect the public interest. In the case of the Teaching Profession Act, a new teaching profession Act must first and foremost protect the interest of the child in the classroom, and standing behind the child, such legislation must protect the interest of the parents of those children. Negotiating a new teaching profession Act is not simply a question of knowing what the Alberta Teachers' Association wants and saying, "We'll go back to the Legislative Assembly and get it for you as quickly as we can." Any professional legislation exists first and foremost to protect the public interest.

MR. R. SPEAKER: A supplementary question to the minister. As I gather from the comments, the minister intends to proceed with the Council on Alberta Teaching Standards. Could the minister indicate whether any reconsideration has been given with regard to any more appointments by the Alberta Teachers' Association, with regard to the six teachers? That's the first part of the question. The second part, Mr. Speaker, is with regard to the minister's composition of those six teachers that are to be, under the present circumstances, appointed. Will those be all members of the ATA? Will a number of them not be members of the ATA? Has the minister considered what that composition would be at this point in time?

MR. KING: Of the 11 members of the council, it is almost a certainty that nine will be certificated teachers. Nominations are being invited from the Alberta Teachers' Association. Those nominees will almost certainly be certificated teachers. The same is true of the nominations we expect to receive from the Department of Education, the council of Alberta school superintendents, and the Universities Co-ordinating Council, on behalf of the faculties of education. The only two members of the council who may not be certificated teachers would be the nominee of the Alberta School Trustees' Association and the representative of the public at large. So it is almost a certainty that nine of 11 members of the council will be certificated teachers who, if not currently in the classroom, will have been in the classroom at some point in their careers. Of those, we expect that six will likely be currently teaching in the classroom. I would expect that five of those six, perhaps all six, would be members of the Alberta Teachers' Association.

It is possible that one of the appointees could be from those teachers who are employed in class 1 private schools; that is, the private schools which employ certificated teachers and follow the curriculum of Alberta Education. But as a matter of balance, if one came from such an environment, I'd expect the other five to be in either the public or the separate school system; that is to say, members of the Alberta Teachers' Association.

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

MR. R. SPEAKER: With regard to the sequence of events that will occur from this point on, the minister has indicated that the Teaching Profession Act will be set aside now for a period of time, maybe 1985, 1986, 1987. Could the minister indicate what that sequence may be? When will the Act come before the Legislature? This fall? Next spring? The following fall? Has the minister a timetable for the negotiations, following this point in time?

MR. KING: No particular timetable, Mr. Speaker. I have speculated on other occasions outside of this House, but

I'll repeat the speculation here, that if legislation were not introduced this spring — which is now impossible, of course — it would not likely be done until 1987 or 1988. I say that because I speculate that in 1986 there will be a provincial general election, although who knows? After an election, given that there will likely be a new Minister of Education, that lady or gentleman would probably want some time to familiarize themselves with the issue before they would want to introduce such legislation into the Assembly.

On an earlier occasion it was understood that if such a Bill were introduced into the House, either spring or fall, it would be allowed to sit over for six months and be reintroduced so as to give everyone interested in the Bill ample opportunity to consider its features very, very carefully. That's the only point on which my speculation about timing was based. If we are able to make good progress during the summer, if we are able to bring it to a conclusion — if, if, and if — then it could be introduced in the fall.

MR. MARTIN: A supplementary question.

MR. SPEAKER: We've spent most of the question period thus far on one topic. I don't really think we should deprive other members any longer of their opportunity to ask their first questions.

Surface Water Drainage

MR. STROMBERG: Mr. Speaker, to the chairman of the Alberta Water Resources Commission. Does the commission have the prerogative to include drainage of surplus ground-water in east-central Alberta, especially in the county of Flagstaff? If it does, what is the commission doing to help a lot of drowned-out farmers in my constituency, especially where easements are not available for drainage ditches?

MR. SPEAKER: I'm not sure about the first part of the question not being a matter of public knowledge, but the second part would seem to be fully in order.

MR. KROEGER: Mr. Speaker, I don't know what the member means by do we have the prerogative as a commission. Our terms of reference are pretty clear. We are involved in practically all areas of water management. For the information of the member, I'd like to point out that the first budgetary matter we dealt with had to do with drainage, which includes the member's area. We are facilitators, and we're aware of what is happening there. However, on the specifics of anything on the agenda that the member is referring to, the water resources commission and the Department of the Environment would be looking at that. I'd be quite prepared to sit down with the member or with the department, but if there's a specific on how the process works, it probably relates to the way the legislation is now set up. I think the question really is: how do you get through the system? I'm offering to discuss that, if that's of any value.

MR. STROMBERG: The supplementary, Mr. Speaker, is how you get it through the system. If I may, an explanation: the system is very lucrative, 75 percent funded by the Department of the Environment and 25 percent by the municipality; however, the legislation is such that the people downstream, that don't benefit from the drainage, that have the ditches on their land, are the ones that get hurt. I suspect the legislation will gather dust for 50 years. [inter-

jection] My question is to you and to the members behind me: would the minister be willing to take a good hard look at getting involved in purchasing rights-of-way downstream from drainage ditches?

MR. BRADLEY: Mr. Speaker, I guess the question is to me. In terms of the program, I think it is very clear as to who has the responsibilities for acquiring right-of-way. At this time it lies with the municipality or the drainage district.

MR. STROMBERG: Mr. Speaker, my last supplementary. That answer was unclear to me — very unclear to the people that are involved. If you cannot get easement for the ditch, if some farmer along the line says no, then what? Drown for the next 50 years?

MR. BRADLEY: Mr. Speaker, the requirements of the legislation are very clear.

Constitutional Law Institute

MR. ANDERSON: Mr. Speaker, I'd like to address my question to the hon. Minister of Advanced Education. In light of the importance of constitutional law in the country, particularly since the Constitution Act, 1982, is the minister giving serious consideration to establishing an institute of constitutional law at the University of Calgary?

MR. JOHNSTON: Mr. Speaker, there have been some recommendations made to us over the past year or so about the importance of establishing within Alberta some form of constitutional expert system at one of our law schools or, perhaps, even one of our political science schools or in conjunction with both. That comes about because of the strong leadership which this province has taken in constitutional matters, including the efforts of the Premier and, for that matter, the Member for Calgary Currie, wherein some fairly significant recommendations have been made by this government to the people of Canada.

I'm not too sure whether I have all the perfect solutions. However, I can indicate to the member that one of the thoughts the department has, which is now being discussed with members of our caucus and members of the education committee, would be modifications to the '80s Endowment Fund, a program which has been very significant in engendering contributions by the private sector to our institutions, to give some priority to the establishment of endowed chairs or some additional way to allow the universities to establish endowed chairs through an escalation or a better matching of money by the private sector. Certainly, in terms of the direction that I see us taking in the near term, the use of the Endowment Fund could in fact establish an endowed chair and, therefore, may in part satisfy the concern raised by the member; that is, a special constitutional chair within one of the faculties at Calgary, and that could be accommodated by the combination of government funding and private-sector contributions.

MR. ANDERSON: Mr. Speaker, I appreciate the minister's commitment to consider a chair. Will the minister go further by considering an institute or a school and, in the interim, establish the chair he has so generously offered to fund?

MR. JOHNSTON: Mr. Speaker, I hesitate to say that I will commit any university to a particular program because

it is well founded and well understood that this government recognizes the autonomy of the universities in this province, and clearly any recommendation for the internal use of resources or a request to the province for additional resources would certainly require the consent, the development, and the discussion within the university itself before we could make a unilateral decision. If the member wants to plead his case, I suggest that, as well as arguing it with our colleagues in government, he in fact engender this notion, this genesis, this idea, with the University of Calgary and see if they wouldn't make a recommendation to government to proceed with funding.

MR. ANDERSON: Mr. Speaker, for clarification. I appreciate the minister's position regarding the autonomy of institutions and support it. Is the minister saying that if the University of Calgary forwards such a recommendation, such an institute will be established?

MR. JOHNSTON: We're playing a bit of a debating game here, Mr. Speaker. I'm trying, wherever possible, to open the door for that recommendation to come forward, and I would not want to block it by foreclosing or making some commitment, which may not coincide with the priorities of any university. So we watch very carefully to ensure that the priorities for new programs are ranked by the universities or colleges. I would not want to pre-empt that discussion at the university level. All I can say is that if there is a list of priorities by the University of Calgary and a constitutional law faculty or institute is one of those priorities, we would attempt to find money to assist the University of Calgary, but that would have to be their own determination.

MR. PAPROSKI: A supplementary to the minister. Due to the vast number of constitutional experts at the University of Alberta, I wonder if the minister could comment as to whether there have been any discussions with the Department of Political Science or other departments of the University of Alberta with respect to this chair?

MR. JOHNSTON: Mr. Speaker, perhaps I'll speak on behalf of the University of Lethbridge as well. We'll have all three of them on the table. As I indicated, of course, there is a considerable number of experts in constitutional law in this province, including at the University of Alberta the previous deputy minister of Federal and Intergovernmental Affairs, for example. Dr. Meekison is considered to be a Canadian leader in constitutional history and law, and there are a variety of others who would be included. But it could well be, Mr. Speaker — I'm not trying to impose any structure — that some combination of the strengths within Alberta at the various universities could be brought together under the umbrella of an institution, and it may not necessarily be an institution identified with any particular university.

Summer Camp Standards

MR. GURNETT: Mr. Speaker, I have a question for the Minister of Social Services and Community Health. I know that there are many summer camps of excellent quality in this province. My question is whether the minister can confirm that there are, in fact, no provincial regulatory standards of any sort which deal with either programming

or staff suitability and training for various types of summer camps.

MR. SPEAKER: We're really dealing with a matter of legal research as to whether or not regulations cover a certain point. I would suggest that be pursued elsewhere.

MR. GURNETT: A supplementary question, Mr. Speaker. Can the minister indicate whether he has done any review about standards of programming or staff for the summer camps, where a great many children are, to determine whether or not the guidelines such as those of the Canadian Camping Association would be useful to have in place?

DR. WEBBER: Mr. Speaker, I can understand where the question is coming from. I can't understand why they would be asking for such regulations. To my mind, to have government involved in deciding who counsellors are going to be in these camps, what kinds of qualifications they should have — they're surely beyond the role of government.

This past weekend I was approached by a reporter in Calgary whom, I assume, the hon. member was in touch with as well. My response to him was the same as my response right now. I don't see a role for government in those areas. I hope we are not going to be developing any regulations in areas where the parents and the management of those camps have responsibility.

MR. GURNETT: A supplementary question, Mr. Speaker. Out of a concern for the fact that many thousands of children attend these camps, does the minister at least have, as a minimum, a central listing of all the summer camps which operate in Alberta that could be reviewed from time to time to determine what groups or organizations actually operate the camps?

DR. WEBBER: Mr. Speaker, I'm not aware that we have a listing of all the camps in Alberta. The only reason that I think the hon. member might even want to ask me this question is that it relates to the responsibilities we have for the Public Health Act. But I haven't heard anything related to that in his questions.

MR. SPEAKER: Might this be the final supplementary. We have just come to the end of the time for the Question Period.

MR. GURNETT: There are a number of reasons why I address the questions to him, but just one final supplementary. Does the minister at least monitor the summer camps which receive government moneys, for example, through the attendance of children whose families are receiving social assistance or children who might be wards of the government in some capacity?

DR. WEBBER: Mr. Speaker, in those cases where children are wards of the government, our responsibility would be the same as the responsibility of a parent: number one, to check out what kind of camp their kids will be going to. Secondly, I think it's the responsibility of the camp management or organizers, the people responsible for holding the particular camp, to hire personnel with the proper qualifications and individuals they can trust to work with children and provide good programming to them. Once again, we do not have any involvement in setting regulations.

You asked the question related to funding of agencies. Yes, we do have a system in place to audit these agencies that receive funding from the government but nothing specifically designed for agencies that are operating camps. In other words, our audit system would relate to them in the same way as it does to other agencies in the province.

ORDERS OF THE DAY

MR. SPEAKER: I'm not aware of any request to revert to Introduction of Special Guests, but having regard to the galleries, perhaps there might be some. Do the members agree that we should revert?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. HARLE: Mr. Speaker, it's my privilege today to introduce a group of 25 students from the Stettler constituency. They're in grades 5 to 9. They attend the Lakeview Christian school. They're accompanied by their teacher and three parents. They're seated in the public gallery. I ask them to stand and receive the welcome of the Assembly.

MR. ANDERSON: Mr. Speaker, it's my pleasure today to introduce to you and to members of the Assembly 62 students in grades 5 and 6 from Oakley Centre for Gifted [Students] in my riding. I'm pleased to have them in the Assembly today and look forward to meeting with them immediately following this statement. They're accompanied today by teachers Shelagh Innes, Judy Persson-Thomas, David Hampson, Kathryn MacDonell, and Brett Bowen. They're in the members' gallery, and I ask that they rise and receive the welcome of the Assembly.

MR. STROMBERG: Mr. Speaker, thank you for the opportunity to introduce to you and to members of this Assembly 28 grade 6 students from the Chester Ronning school in the city of Camrose. Along with them this afternoon are their teachers Janette Rotto and Allan Thronson. I might add that the school they attend is named after a diplomat, a great Canadian, and also a former member of this Assembly, Dr. Chester Ronning. They are seated in the public gallery, and I ask them to rise and be recognized by the Assembly.

head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Would the Committee of Supply please come to order.

Department of Manpower

MR. CHAIRMAN: Does the hon. minister wish to make some remarks?

MR. ISLEY: Mr. Chairman, I'd like to take this opportunity to make a few comments concerning the 1985-86 estimates

for Alberta Manpower. The department's responsibilities are grouped under three votes. Vote 1 is for support services, which include general administration, planning, and research. Vote 2 covers manpower development, training assistance, and manpower training. Vote 3 is devoted to special employment programs.

Mr. Chairman, we are all aware that even with the signs of economic recovery Alberta still has a serious unemployment problem. In this context I think it is important to note what the Manpower department is doing to provide job opportunities for Albertans. For the 1985-86 fiscal year we have budgeted more than \$143 million for special employment and training programs, most of them covered in vote 3. This means we are devoting more than 70 percent of the total Manpower budget to helping Albertans find employment and train for work.

I would like to mention some of these programs just briefly, Mr. Chairman, to give the committee a better appreciation of what is being done to assist both the jobless and employers in our province. Under the youth employment and training program I announced last fall, we're helping young Albertans gain access to that all-important first job. The department pays a wage subsidy to employers who provide jobs and training to graduates of high schools and postsecondary institutions as well as to unemployed young Albertans who have been out of high school for at least 12 months.

Another recent initiative is the Alberta environment employment program, which not only creates job opportunities but improves the environment at the same time. Under this program the department provides wage support to municipalities, nonprofit associations, and other provincial departments undertaking environment improvement projects. At this very moment crews are cleaning up the river valley in Edmonton in a project carried out by the Chamber of Commerce with our financial assistance.

We also have the wage subsidy program, which has proven to be extremely popular with private-sector employers. Here the department shares costs with business owners and farmers who create jobs or retain workers facing the threat of layoffs. Similarly the Alberta training program provides financial assistance to employers who train employees and upgrade their skill levels. This program is designed to upgrade the province's labour force.

The list of special programs is a long one. It includes STEP, the summer temporary employment program, and its winter equivalent PEP, the priority employment program. There are also special needs employment programs, including the Opportunity Corps, employment skills, and hire-a-student. In all, we anticipate that these programs will create approximately 44,000 direct jobs for Albertans throughout the province and perhaps an additional 1,000 indirect jobs. It should be clear, Mr. Chairman, that the creation of employment opportunities, whether directly or through training, is a top priority of the Manpower department.

Let me now turn to the department's other responsibilities as shown in vote 2. Under the manpower development subprogram we have earmarked \$11.2 million to help Albertans make rewarding career transitions between school, training, work, and retirement. To ensure that this province maintains a well-trained work force, \$7.7 million is budgeted for the apprenticeship and trade certification division, which is responsible for administering the training and certification of trades. It is important that we not overlook the special needs of disadvantaged Albertans. In the training assistance subprogram we have budgeted almost \$12 million to provide

financial assistance for vocational and rehabilitation training. Under manpower training some \$11.7 million will finance short-term, vocationally oriented programs, including English as a Second Language.

With that, Mr. Chairman, I conclude my opening remarks. As we go through the estimates, I will be pleased to respond to any questions. Thank you.

MR. MARTIN: Mr. Chairman, I'd like to participate in the minister's estimates. There are some questions. If we sound repetitive on this side, it's because we feel strongly about certain issues. I recognize that the Minister of Manpower has certain limitations in terms of his clout with what happens within the government. Government decisions are not made by the Minister of Manpower. He's there, perhaps, to pick up the pieces after. It's all well and dandy. Nobody is suggesting that certain people haven't benefitted from some of the programs under the three votes. But the simple fact is that the proof is in the pudding.

Mr. Chairman, we are the richest province in Canada, and we are at the national average. Specifically, it is outrageous that in this day and age in a province this rich, over 13 percent of the people in the city of Edmonton are unemployed. We can talk about the programs and all the rest of it that we're doing — some of them are beneficial; no doubt about that — but the fact remains that there is something seriously wrong with a government that allows this type of unemployment to go on. It doesn't have to.

I point out that there are provinces with a lot fewer resources than this province that have much lower unemployment. If we want to compare what's happening in other industrial parts of the world, they would not tolerate this type of unemployment. They would not stand up and talk about participation rates and all the other rhetoric and things that don't mean anything to anybody. The fact is that there was overbuilding. We all understand that. But the government of the day took credit for the boom. They said, "It's because of this great Conservative government that everything's going along so well." Surely they now have to accept the responsibility and do something about unemployment.

The reason we feel so strongly on this side of the House, Mr. Chairman, is simple. In question period today the minister and I indulged back and forth in statistics. I guess that sometimes you have to do that to deal with the problem. I've said this many, many times and I'm going to keep repeating it: the problem is that these are not statistics; we're talking about real, flesh-and-blood people. There is nothing more decimating to anybody who is used to working than to say "We no longer require your services" and to put them out on the scrap heap.

Mr. Chairman, I've never understood the economics of this — and I'll come to it — but in terms of what we do to people, it makes no sense at all. Let me use a couple of specific examples in different age groups. One of my neighbours, who is a tradesperson, has worked proudly all his life. He's 50 years old. He's been unemployed for a year now. Sure, he's had UIC; that's coming to an end. I see a difference in the way that person is acting as we go on month after month after month. That shouldn't surprise us. To the minister, this person is not lazy. He's doing odd jobs here and there to try to maintain his dignity and pride. But it's starting to go down.

It's all well and dandy for the minister to say that construction people should just all of a sudden find other jobs. That's not the reality for most people. When you've

been trained, when you work with your hands and are good at it and have pride in it, it's just not that simple. I also say to the minister and the construction trades: if we say that people can shift out quickly and come back, as he talked about in question period, that's not the reality, because they lose those skills overall. These are fast-evolving things, whether they be in the electrical field or some of the others. It's not that easy to stay out of a job for six or eight months, or two or five years, and come back with the same skill. You won't even have the same attitude; I can guarantee that.

I don't care who it is, Mr. Chairman, whether it's you or me or anybody; if you say to us that we're on the scrap heap for two or three years, it's going to affect us all. It's going to strip away our dignity and whatever pride we had, and it's very difficult to come back from that. No amount of preaching from us under the dome here is going to change that. That's the reality people are facing.

The other is young people. You can say they should have got more education or should have done this and that. We can live in a dream world here at this level. I know young people who want to work, who obviously don't have the skill or experience, who have been out of work all their adult lives, and some of them are 22.

I've said this before and will keep saying it, Mr. Chairman: if we don't think we're creating problems by having a whole group of people that have no chance of getting employment, no way of doing it, and saying to them with clichés that all they have to do is get retrained or this or that — retrained for what? Not everybody has certain skills in different areas. Any of us who have been involved in vocational counselling know that. It's not a simple matter for most people. To say that somehow they can just magically move out of this occupation into another occupation — it is just not that easy. To any of us who sit here and believe that, I just say in all sincerity that the reality of life is not striking home.

The point is that the economics of it — and I'll come to that — make no sense to me. Most industrial countries would not put up with it even for a second, or those governments very quickly would not be there. I'll give you one example. The Minister of International Trade invited me to a meeting at Government House with the minister of energy from Sweden, and I thank him for it. We were chatting, and she said to me, "We are in real difficulty with our government; we are falling behind because we're not doing enough for the unemployed." She said, "Ray, we have unemployment now at 2.7 percent." Two point seven percent and they're worried. They're going to have to change and do things to bring that down. When I told her that unemployment in this city was 14 percent at the time, I thought she was going to swallow the spoon as she ate her soup.

My point in bringing this up is that we have to make commitments to full employment. Admittedly, it's not easy. But that should be our first priority. It should never be the tail wagging the dog, that somehow we'll just drift along and wait for some magical solution somewhere down the line and use terms like "restructuring" and redoing this and redoing that. In unemployment the prime thing for governments is to work towards full employment. Admittedly, it can't all be done overnight. But if national, provincial, and municipal governments said that they would work together and set targets — by industries, if you like — say, a target of 2 percent less a year, I believe they could do it.

Mr. Chairman, it's an issue I feel strongly about. If this society is going to continue, I don't think you can inevitably have the unemployment rates we have now. I don't think 8 percent is good enough, but some provinces are at least down to that level. If you continue with this, and it's accentuated to young people — in Great Britain right now, we are seeing the problems of high unemployment and young people who have never worked. I say to the minister that I know it's not all the minister's problem. It's a government problem, but he's the one who has to handle the unemployment statistics.

It's all well and dandy to memorize and quote all the programs and tell us how well they are doing, but the reality is that we still have huge unemployment in this province and we should be doing more. The reality is that other people have advanced ideas that I think would work. We have. But the government rejects them and says we can't afford them. Well, you can't afford to pay out UIC across this country. You can't afford to pick up the social costs. You can't afford to pay welfare. I'd much rather pay people to work than pay them in other ways. I say to the government, through the Minister of Manpower, that we should look at doing that instead of making excuses.

Mr. Chairman, when we say we can't afford this and can't afford that — I've said it before, but I want to do it one more time to put it on the record: we are paying a tremendous cost economically. I've talked about the social cost, but we're paying a tremendous cost economically. As I have said before, various people have estimated it. An economist estimated what it cost in 1982 to have huge unemployment. He ran that figure up to \$78.8 billion that we lost out of the economy because we had to pay it out in lost production, lost earnings, UI benefits, and welfare. This was to all governments.

It seems to me if we had that \$78 billion in the economy, it would stimulate the economy. People would have purchasing power. The Treasurer talks about confidence. My God, if people have jobs and have a few dollars, they'll have confidence and the economy will hum. When they don't have a job and they're not sure if they're going to have one a month from now, that's when it breaks down.

I don't know what happens behind the closed doors of cabinet, but I hope that the minister is an advocate for the unemployed, because he's the one taking the flak for it, and that he is an advocate for setting goals and targets to come down. The minister says he has no way of knowing this. Well, you have a planning secretariat that I'm sure is giving the minister information — at least I hope they are — about things that could be done to bring down unemployment. Surely that should be the role of that particular department.

I recognize that the minister, through the subsidy programs and the things he has under him, could not immediately bring unemployment down himself. It has to be a government prerogative. Mr. Chairman, I will continue to say this as long as we have what I consider immoral levels of unemployment. When we sit and talk about a heritage trust fund with \$14 billion and in my city of Edmonton we have over 13 percent unemployment, it doesn't take a genius to figure out that something's wrong. That's a frustration many people are feeling out there — certainly, many people in my constituency and I expect many people in the minister's constituency. I predict there's many in the constituencies of all the members, if they're listening. If they're not, they should be.

I come to a few questions for the minister. He said he couldn't necessarily project what the unemployment rate

could come down to, but he came up with some pretty specific figures about the programs and how many jobs they have created — I believe he said 44,000 and perhaps 1,000 indirect. If he can't project general figures, how does he get so specific that he knows his programs are bringing in that much? Is the planning secretariat able there and not able in the other areas? So I'd ask the minister that. It seems to me that if 44,000 were off the unemployment rolls — is that 44,000 over the length of the program, so it's 2,000 this month, 10,000, or 12,000? How does it specifically work?

The other area has to do with the programs specifically, Mr. Chairman. The subsidy program has created some employment; no doubt about it. But I want to know how they go about doing it. I'm thinking specifically of the wage subsidy program. How is it that they would know whether an employer wasn't going to hire somebody anyhow? Along came the government — I wouldn't blame an employer for doing this, and I've been told by some that this is precisely what they did. They took the government handout, but they were actually going to create those jobs themselves. The minister is aware that the small business groups said they didn't like this approach, that if their business was going along well enough and the economy was humming, they wouldn't need a government subsidy. They wouldn't go out and hire a person just because they had this subsidy program. That came from at least one of the major business groups. How do we know? What's the check on that? Are we including in the 44,000 somebody that perhaps was already going to be hired anyhow? How do we distinguish that?

My other question dealing with that follows in a more specific way: what specific qualifications must an employer meet in order to benefit from these programs? I know there are forms, but surely there must be some checking on it. I take it that the minister would want to make sure these programs are being used for the purpose they were intended.

Mr. Chairman, there are some specific questions I want to ask, but I'll allow the minister and other hon. members to come back. I wanted to make those initial remarks, and I made them because I think they have to be made. Somebody has to talk for a number of Albertans. It's not just good enough for us to cliché things and say that everything is the greatest in Alberta. We've said many times that the reality of many Albertans is not what the government is giving us.

I want to make the point to the Minister of Manpower, as I said, and I conclude with this. If the unemployed don't have an ombudsperson within government in the minister, other than having to come out and talk about how high unemployment is and trying to be optimistic each time, I hope — and I hope he will allude to this — that as the minister he's talking to the government and has projections about things they could do to significantly bring down unemployment. Maybe he can't say this publicly, but at least he could tell me if he acts, in his role as Minister of Manpower, as a conscience for the government in dealing with unemployment. I am telling the minister that there are people out there who are hurting and hurting badly. Somebody in this government should be standing up for them, or they're not doing their job. It's that simple.

MR. CLARK: Mr. Chairman, just a few words. I would like to compliment both the minister and his department on the way they have assisted Albertans in a time of need. It's a new department of government, and I must say the

minister has done very well in responding to the needs of the people in Alberta.

I listened with great interest to the Leader of the Opposition, and not once did I hear him say anything of a practical nature on what he could do to lower unemployment. All he said is that we need to do more, but he never gave one statement of how he thought it should be done. You know, if you're going to criticize somebody, it's really better to have a few practical ideas of your own.

I'd also like to say that it's really the taxpayers who are picking up the bill for helping with unemployment, Mr. Chairman, and they are doing it willingly. I think this has got to be taken into consideration too. There is a tax bill, and if you're going to throw money at unemployment that is going to be just a temporary fix-it, then I think you're fooling yourself.

I agree with the minister that there is only one area that is eventually going to cure the unemployment in this province and this country, and that's the private sector. That's where the jobs will be made, and I agree with him wholeheartedly in that. [Mr. Martin left the House] I'm sorry the hon. member is leaving, because I wanted him to hear this too.

I would be remiss, Mr. Chairman, if I didn't repeat to the minister a compliment that was paid to him in my constituency this weekend. A young farmer came to me and asked me to thank you, Mr. Minister, for the wage subsidy program, which allowed him to afford to hire an extra man this summer to do jobs around the farm that he has been unable to do because of the financial condition the farmers are in at the present time. He was so pleased with the program that he said, "If you want to compare it with the rebate program for fertilizer, the benefits means four times as much." I would just like to say that he would like me to thank you publicly and personally for the program.

I would also like to take this opportunity, Mr. Chairman, on behalf of all my constituents who appreciate the programs that are out there. Regardless of the fact that sometimes we hear in this Assembly that we are not doing enough and that the people out there don't realize the benefits and the effort we're making, I would like to say that this is wrong. In my constituency at least, they do realize some of the programs we have, they're appreciative of them, and they would just like to say thank you.

Thank you, Mr. Minister.

MR. CHAIRMAN: Are there any further questions or comments?

MR. GURNETT: Mr. Chairman, I'd like to ask some questions about a number of areas the minister could respond to. Some of them relate to vote 2, which we'll be looking at later. I'm interested in both the area called career development and vocational training, as it's detailed in here. In both those areas I see that there are fairly big increases: 38 percent in the area of career development under manpower development and 29 percent in vocational training. I wonder why those areas have those increases. I assume it's related to the fact, as we've had some discussion of, that people are being helped to find other careers, second and third careers, because what they started in wasn't something they could continue in.

When he's responding, I wonder if the minister could indicate a little bit about what happens when people are involved in this kind of retraining or looking at a new career as far as the counselling or the recommendations

they receive. Does the minister's department do any long-range studies of what areas people should be encouraged to move into? Do they then provide some or a fair amount of direction as far as what assistance they'd give to training in particular areas?

I wonder if the minister could indicate what his department finds, as they research directions for careers and job possibilities in this province in the future, as far as areas in which there is probably going to be a good future. For example, we've heard that there is probably not a strong future in the construction trades. I wonder where the good areas of expansion are, where the new jobs will be found, and as I said, what assistance is provided in developing a career or in undertaking vocational training. As well, I wonder whether there's particular attention to certain segments of the working population more than other groups. I'd be interested in the minister developing a little bit as far as what happens with regard to those areas, since they will both see quite a bit more money being spent in them.

It may have been asked by another member while I was out, but I also wonder if the minister could give some kind of update or report on the cost-shared programs referred to under the manpower training budget. There is a big increase of 225 percent. I wonder if we know how those programs are working throughout the province, as opposed to just an isolated report on them.

There are some other areas, Mr. Chairman, that I have a particular interest in. One of those is the sort of community initiative that creates new jobs, particularly with regard to the idea of co-operatives. I wonder what support or what particular assistance and encouragement the minister's department is giving in this area. It seems to me that there are some very good possibilities for new job creation in the whole area of co-operatives. There are a lot of examples of things that are starting to happen across this country. There are examples where the workers actually buy and operate a business; that's happened in many parts of the country. There are also examples of community initiatives where the community gets involved in a co-operative kind of process, where municipal governments get involved, or where community development corporations are set up and get involved in setting up and operating co-operatives.

It seems to me that at a time when we have to cope with businesses deciding it's not reasonable for them to continue to operate or when we see communities that have possibilities and no private enterprise is willing to move in, this kind of community initiative doesn't require a lot of government money to be invested and would provide jobs and economic stability to communities. I wonder if the minister could indicate what his feelings are about worker co-operatives of various sorts, whether operated by the workers themselves or the communities, and whether any consideration is being given by his department to develop some support and programs that would provide particular help in those areas, whether through funding, the provision of expertise, encouraging other ministers to look at tax breaks for co-operatives, or that type of program.

I also wonder if the minister could give some indication of the contact and the relationship between his department and the whole area of small business in the province. The statistics I've seen indicate that the great majority — I think 80 percent or more — of the new jobs in this country as a whole are created by businesses with about 20 or fewer employees. Meanwhile, we've seen jobs in the corporate sector actually decline. I wonder what involvement the minister has in encouraging job possibilities in the area of

small business and his relationship with the minister who has that particular area of responsibility.

With regard to municipal government initiatives, I also wonder if the minister could indicate a little bit about what consultation takes place between his department and municipal governments as far as job creation possibilities and how he works with the Minister of Municipal Affairs to look at ways in which municipal governments could provide encouragement of new job opportunities. It seems as if the minister's department is one that is ideally suited to co-operative ventures with a number of other ministers.

I would also be interested in the contact in the agricultural area. What happens as far as the minister's involvement and support for initiatives that would create new jobs in the agricultural sector? We heard earlier this afternoon in question period that apparently significantly more people are working in agriculture. I wonder if that's a result of particular actions taken by the department to create job opportunities in the agricultural sector or what other explanation there could be for that.

I'd like to know what is being done for another community within the province, the native people. Are we looking at any kinds of initiatives through the minister's department that will provide funding or assistance to native communities to get involved in creating jobs for themselves? These seem to be areas where there have been very high levels of unemployment compared to the province as a whole. I wonder if that high level of unemployment has been recognized through particular attention to providing assistance to these kinds of communities in the province. I'm asking the minister to show his involvement with a lot of ministries, so perhaps I'll stop there for now and let other members ask questions. Then I'll wait for the minister's responses.

MR. CHAIRMAN: Does the hon. minister wish to respond now?

MR. ISLEY: Thank you, Mr. Chairman. I will attempt to respond to each of the three speakers in the order in which they spoke. The Leader of the Opposition started out with some concern as to the amount of clout I carry within this government. I would like to assure him that on this side of the House we don't operate based upon clout; we operate based upon teamwork. I would suggest, for the edification of members, that the very significant long-term, multiyear commitment we made last November, which is the first multiyear planning and programming in this nation, was an indication of a team effort which reflected the concern that all members on this side of the floor have for the unemployed in this province.

Some comments were made about participation rates as if they were unimportant; maybe I'll come back to that later. I did find something, Mr. Chairman, that I agreed with the hon. Leader of the Opposition on, and I've waited a long time for this. That was when he emphasized that the problem is not statistics; the problem is people and the problems they face when it comes to unemployment, making relocation decisions and retraining decisions, et cetera. I have to agree that that is where the problem is, and that's where we have to direct our programs.

Unfortunately, after agreeing to that, he got off comparing statistics again. He compared us with places like Sweden and other central European countries. If he would do a little research, he would notice that their statistics are not even calculated on the same basis. I'm not sure whether he's suggesting that we use similar immigration policies.

I'm not sure whether he's suggesting that we go the guest worker route. I hope not.

[Mr. Purdy in the Chair]

I think we have to recognize that one of the realities of the construction industry is that the labour pool is based in western Canada, not simply Alberta. You can't make decisions based just upon your Alberta numbers. I think another reality of the construction industry we should all recognize is that there are two significant parts to it. There is engineering construction, which as a simple definition is the building of industrial projects, and there's the building construction sector. In the area of engineering construction we're starting to do quite well in this province. In the building construction sector we're not doing so well. That's mainly because of the overbuilding that occurred in our major cities. When we talk about retraining of workers, it may be as simple as adding additional skills to a building construction worker so he can move into the realm of engineering construction on the industrial sites.

The question was raised: how do we project figures such as the fact that our programs will benefit 44,000 Albertans this fiscal year? I suggest there's quite a difference between projecting how many people you will benefit by a program and, on the other hand, trying to project unemployment rates. The 44,000 people are simply the number of Albertans that will be positively affected by our programs. That is not to be interpreted as 44,000 man-years of work.

How does the wage subsidy program work? First of all, I would say it works very well. In the last 12 months it has created over 20,000 positions in this province and retained a few. It's basically directed at the small business and farming communities. The employer must be hiring a person in addition to what he normally carries on his payroll, so the program is not used to replace existing workers. The qualification of the employer — basically, all he has to do is be an employer and create an additional job. It doesn't bother me, in the administration of this program, if he was almost ready to create that job anyway. If we encouraged him to create it a little sooner by putting a wage subsidy in place, at least we put one more person to work, and that's important. If by having our program he decided to hire two people, where under normal circumstances he would have hired only one, again I suggest the program is working positively.

We monitor that program on a spot-check basis. We audit it on a spot-check basis. We've hired an external consultant to evaluate it. The evidence is verifying what I believed when we started the program, that 95 percent-plus of our businessmen are honest and are going to work sincerely with the thrust of the program. We shouldn't build up a lot of red tape to impede their progress just because there may be a few people that take advantage of the program.

I would like to say thank you to the Member for Drumheller for bringing the appreciation from the farmer he talked to in his community.

In response to questions from the Member for Spirit River-Fairview, the growth in career development dollars was mainly a result of an expansion in the career counselling service, which was necessitated for two reasons. Number one, more people were taking advantage of it as a result of the higher unemployment rate. More people were looking at retraining opportunities, what areas to go into, how to go about financing, et cetera. The other reason for the

expansion is the role that the career centres play in the Alberta youth employment and training program that we launched last November.

I submit that the dollar increase in manpower training is because more people are taking advantage of training during this downturn. That's the section of the budget where we get involved in cost sharing with the federal government of programs aimed at vocational training and upgrading.

Where are the bright spots in the future? Questions were asked about a number of other departments. Mention was made of the growth in job opportunities in the agricultural sector. Probably two things spurred the growth in employment in the agricultural community: one, the Alberta wage subsidy program, which they are significant users of; number two, the lessening of expectations on wage levels that we had in Alberta during the good years, which made it more feasible for the agricultural community to compete in the labour market. In view of the announcement in the House this afternoon and other initiatives this government has taken, I suggest that there are future growth opportunities in the field of tourism. I see future growth opportunities and job opportunities developing in the oil and gas sector, keeping in mind that the development of the tar sands and heavy oil is quite labour-intensive, and as in any other economy a significant growth in job opportunities in the future in the information industry, computer technology, et cetera.

What is our contact with the small business community, and what's my relationship with the minister? I get along very well with Boomer Adair. Our major involvement as Alberta Manpower with the small business community is through the wage subsidy program and the Alberta training program. In response to a comment from the Leader of the Opposition, I point out that the criticism he referred to came out of Toronto's small business community and not Alberta's. The response we've got to the wage subsidy program from the Alberta business community has been very, very positive. That response was verified by the private external consultant.

Our involvement with municipal governments in the field of job creation is mainly through the enhanced priority employment program and the enhanced summer temporary employment program. I commend all the municipal governments on the fact that they have increased their use rather significantly and co-operated with us in the creation of new jobs.

Do we have any programs directed toward native people? The question was raised by the hon. Member for Spirit River-Fairview. We have a number. The Opportunity Corps program, which has been successfully running for a number of years primarily in the northern half of the province, is ongoing. We recently expanded into four additional communities and are moving it down into the central Alberta region. We've worked very closely with the Sooniyaw Corporation in developing the Metis carpentry apprenticeship program. That program is now in its third year of operation and appears to be a very successful model to continue to work on.

We have a continually growing employment counselling and relocation program, which is designed to assist people in moving from remote communities and relocating to where there are meaningful opportunities for jobs or training. The native communities — be they isolated native communities, Metis colonies, or Indian reservations — are eligible and active participants in the summer temporary employment program and the priority employment program, and are

rather significant users of our recently announced Alberta environment employment program.

Mr. Chairman, I think that touches on all the questions I identified. I'll be pleased to respond further if there are any more.

DR. CARTER: Mr. Chairman, I would like the minister to comment on three brief areas, if he would, please. The first one is what some United States economists regard as being a serious restructuring of the economy with respect to the use of labour. What I'm really referring to is the rapid increase in the statistics on the number of part-time or temporary employees. Numbers of industries, corporations, and job situations have really seen this as a way of acting as a buffer to the ebbs and surges that take place in the economy.

It seems to be a tendency more and more, certainly in the United States — the normal working situation is that a temporary or part-time person who has come on for a short number of months is taken on full-time if production dictates. What seems to be happening south of the border is this rather serious increase in the number of corporations which are keeping part-time people on a part-time basis for far longer periods of time. As members of the Assembly realize, in that kind of situation part-timers typically get few fringe benefits — no health care, no life insurance, no pensions — and wages are usually significantly lower.

It's carried forward in statistics that 70 percent of the voluntary part-time workers in the United States are women. That has a benefit in terms of their being able to look after their children coming home from school and so forth. But we need to couple that with the other statistic that 20 percent of U.S. workers really fall into this area of part-timers. All this has ramifications for the social care system, whether it be in the United States, Canada, or within the province of Alberta. If such a trend were to continue, then to some degree some employers — and I stress "some" employers — would take advantage of the situation and put more of the pressure back on the social care delivery system, whether it be at a federal, provincial, or municipal level. I wonder if the minister would be good enough to comment on what kind of trends he sees developing there, especially in the province of Alberta.

The second item — the minister made a comment earlier today during question period. I found it very salient and wise. It was a reminder to all people within Alberta society today that we need to break free from that stagnant idea that we're going to have only one occupation in a lifetime. Many of us have to be much more eclectic in terms of training. We need to have a broader scope of vision of the various talents we have, the various ways in which we might be able to respond to challenges as we go through the journey of life.

In that respect, one needs to have caution about people who feel that today the going thing is that they must learn computers. I agree with that. But in entering the field of computer technology, they have to also realize within themselves that given the accelerated change within our life today, they shouldn't lock their heads into the headspace: "I'm going to be in computers all the rest of my life, because I've got this advantage. I'm 25 years of age. All those old fogies older than I who haven't learned computers can't cash in on this, so I'm really locked into this framework. I have good security for a lifetime." I suppose one of the complications is that too many of us get hung up on what security is.

I think the challenge the minister issued earlier today is indeed a good one. All of us have to realize that there are many vocations, many different types of jobs and challenges, that we can respond to, that we should really go out and seek in a lifetime, because part of the enjoyment of life is to keep on going. I wonder if the minister and his department in their programs do sufficient underlining of the comments as made by the minister earlier today to prepare people for not only change but ongoing change all the time they are to be in the work force.

Finally, Mr. Chairman, I compliment the minister and his department for the considerable efforts they have given to the whole matter of youth training and employment programs in the province.

Thank you.

MR. MARTIN: Mr. Chairman, if I may, I'll go into some new areas, partly as a response to the Member for Calgary Egmont. First of all, to the Member for Drumheller and all the other backbenchers who stand up and follow the Premier's lead — he rightfully suggested that we give suggestions. I would refer him, if he's ever listening, to page 691, April 29, 1985, to our white paper, to my budget speech, and to many other things. He may not agree with them, but the fact is that we have given alternatives. So that argument gets a little monotonous, coming from backbenchers who hardly ever listen in the House.

Mr. Chairman, moving to the subsidy program, I think the minister said that if they were going to hire one, he was glad they accelerated the process, or maybe they might hire two. My question and comments to the minister were not that he hopes — it's his department that's administering these particular subsidy programs. They're set up for a specific reason. As I understand it, they're set up so businesses will hire new people. If the system is being abused, frankly if people were already going to hire people, then we're wasting taxpayers' money. That was the point.

He can talk about the one group from Toronto, but he's well aware that they have people in Alberta as part of that national organization. I was also saying I have talked to other small business groups and people, and this is precisely what has happened. So if there is any abuse at all, surely the minister should be concerned about that, because it's not performing for the purpose he wanted. I'm not saying that's the case in every one of them, but it seems to me that if you set up a program for a certain purpose, you want that purpose to be followed. That's what it's all about. My question to the minister was: what checks and guidelines do we have on it, or is it just an open door? Is it just "Here's the money; we hope you'll do it"? If that's the case, that's a pretty sloppy way to deal with government money. I hope that's not what the minister was saying. I was asking what the guidelines are and what they are doing to cut potential abuse. I can only go by what people tell me, that there is that potential and that they used it.

The other area I want to ask the minister about is the projections. In vote 1, Mr. Chairman, I see the general administration of the department has gone up 19.9 percent to over \$5 million. Planning and research is up 34.4 percent to \$429,348. They must do something, because they're certainly getting an increase in budget. The minister talked about our small staff. We would like to have some of that money. We'll do all his research for him if he gives us the money, and we'll do a lot more. With this nice budget, I want to know if the minister's department is looking at it sector by sector. Are they making projections about how

they can cut down unemployment and what they can do about it? Do they advise other departments about this? Are they setting targets so that maybe by next year we can have 2 percent less, or whatever figure they want? What is their role? Is it just for the minister's department? I take it that this group is meant to advise Executive Council.

That's what I'm driving at and what I'd like the minister to comment on: do they have those sorts of studies, are they looking at the sectors, or are they setting targets of where we could significantly lower unemployment and how we'll go about doing it? If they're doing that, I'd be interested in some ideas coming out of there. It seems to me that when we're increasing the budget, we want something from them. If they're not doing that, it seems to me that \$5.5 million is a lot of jobs. We could hire a lot of people for \$5.5 million.

The minister didn't talk about the other area I alluded to. The minister may not accept the figures I gave, but where is that dividing line? Does he not agree that we pay a high economic cost? We both agree — at least I hope we do — that there's a high social cost that's being paid in terms of high unemployment. Does the minister not agree that we're still paying the cost and the Minister of Social Services and Community Health will have to pick up what is not done in unemployment? There's lost production. People aren't paying income tax. There are all sorts of things that affect the economy. Does that not worry the minister? Does the minister not feel that to bring that unemployment down and save that money would be more worth while? Does the minister not agree that with the high unemployment, paying people to work is better than the other way? That's what I'm getting at. Are we not concerned about those other economic costs?

I take it that the minister is definitely concerned about the social costs. I think that goes without saying. But I gather from the government that we just have to live with this. We have suggested that we look at what we're paying out in terms of the economic costs of unemployment. All Canadians and Albertans are paying UIC. How do we justify higher welfare? How do we justify lost production? How do we justify that people aren't paying income tax? How do we justify lack of confidence when you don't have a job or you could lose it? Is that not a more important consideration? I ask the minister that seriously.

I would like to ask for the minister's comments on another area, because maybe he was misquoted. I believe the minister said in terms of one of the months that he believes Sunday shopping would actually lead to more employment. Is that in fact the case? Is the minister aware that studies show that where it has been done in other countries, it could have a marginal increase in unemployment? The other question about Sunday shopping comes into something the Member for Calgary Egmont was talking about. I reiterate what he was talking about: the proliferation of part-time employees. Sunday shopping will do that. If we as a society are saying that there are so many jobs and we need a certain income and we have to work for 30 hours, it hasn't worked that way. There has been a cutback in purchasing power, benefits, and all the rest of the things people have. I'll enlarge on what the member said and say that I believe Sunday shopping will increase the whole idea of part-time workers. Those part-time workers are much more at the whim of people, because they do not have any security. Surely the minister must be worried about that trend. I also suggest to him that it may lead to unemployment in December, when we have Christmas. But the fact remains

that the only major study I've seen on it is that there's probably a slight overall increase in unemployment.

The other area I would like to come to is the whole idea of what we do in the future. Admittedly, Mr. Chairman, this is a difficult problem. I said this many times when I was a counsellor. When we used to come out we looked at one or two jobs in our lifetimes, and we were expected to stay with one company or one institution or whatever. Now the figures I've seen project that there might be eight or 10 different types of jobs, some maybe within the same company. Of course, technology is the reality.

It seems to me that we have to be very careful here, and I'd like the minister's comments on this. Again, I come back to whether the planning people are looking at this. How do we deal with technology? It seems to me that in a work-oriented society, we're taught that our self-respect and dignity come from what we do in terms of making a living. I believe technology can be used at this particular time, as it has been in Japan, to actually help lower unemployment. I'm saying that if it's not a negotiated thing between governments, labour, and management, if it's used to cut jobs, then it's going to create a lot of social problems in the future.

I'd like the minister's comments on whether in planning and research they're looking at the role of technology, at ways we can develop this. I suggest that one of the major problems governments are going to deal with in the next 20 years is the whole role of technology. If technology is not used for the enhancement of the human spirit, if it's just used to make more profits and put more people out of work, then I for one say that we have to slow down. But if it's used to work together to enhance the human spirit, as I put it, and it doesn't lead to huge unemployment, then I think technology is good. I wonder if the minister's department is looking at this whole area of how we deal with technology in the future. Could he give us some comments in that area?

MR. GOGO: Mr. Chairman, I have one particular area I want to raise with the minister. However, the Leader of the Opposition made a comment that should twig a lot of ears. He said that profits put people out of work. My understanding of the system is that profits in effect create jobs. Without profits, forget it. It's academic; there aren't going to be any jobs. I hope I'm not misquoting the hon. Leader of the Opposition, because heaven knows I would never deliberately misquote the fine gentleman.

Mr. Chairman, there has been great emphasis, great talk, and a lot of dollars put into those areas for young people who have never had their first job, and we tend to highlight that. That's important. I don't mean to say for one moment that it shouldn't get the priority it's getting. My concern, however, lies in a different area. I look at the members of the Assembly. I think the average age is 49, with exceptions who are over that midpoint in life. And we know how averages are achieved. We always seem to find comfort and solace in averages, the most famous being that if you put your feet in an oven and your head in a freezer, on average your temperature will be all right. It's beyond me how you'd manage in the future without feet and with a dead brain, but certain statisticians find comfort in using statistics to their advantage.

Mr. Chairman, my major concern lies with that group of Albertans who are over 45 and not yet 65 and therefore can't take advantage of all those great benefits that age 65 seems to bring chronologically in our society. I don't know

how this is going to apply in the future with regard to the legislation brought in by the house leader last week under the Charter of Rights and Freedoms. It's an area that concerns me greatly. We look at the population of Alberta who, for the most part, have been gainfully employed for, say, 20 years. They've acquired the normal things in life, like having two children, a big mortgage, a motor home, and a couple of cars, and then for the first time in their lives they're unemployed. That's got to be a very traumatic experience. Sometimes I don't know how these people manage. I don't know if there's any connection with alcoholism or suicide. But the minister is well aware of what I'm getting at. We have a very serious problem with that age group. It was with that in mind that we created that Access 45 program. In my view, Mr. Chairman, one of the most successful programs brought into any province in Canada was started here in Alberta with Access 45. I can only talk for my own community. A problem was recognized in Lethbridge, and they formed a nonprofit society. Mrs. Marion Marchant is the president. I went to the minister and said, "This is what we need in the community." He analyzed it in about three days and came up with funding — a very, very dramatic move within communities of Alberta to assist that magical group who are over age 45. They've placed literally hundreds of people the Canada employment centre, for whatever reason, wouldn't look at. So very clearly, Mr. Chairman, the policy of this government with Access 45 has paid tremendous dividends.

The question I have for the minister is: where are we going? And this again is with reference to the hon. House leader, who brought in legislation last week. Are we suddenly going to find ourselves, without having to invoke notwithstanding clauses, where we have to terminate a program which is very successful and has meant so much to so many people in this province? I was talking to the general manager just last week, Mr. Don Pilling of Lethbridge, and he's frankly puzzled as to where we're going. So, Mr. Chairman, could the minister at some point in his summary respond to the very specific question as to the intentions of this government in dealing with the very successful program in this province referred to as Access 45.

Thank you.

MR. GURNETT: I'd like to come back to the minister on two or three things he mentioned in responding to some of my earlier questions. One of the areas I talked about for a few minutes earlier related to the minister's feelings about and support for the whole area of co-operatives. In talking about that, I don't think he actually responded. This seems to me to be an important area. I wonder what is being done by the minister and his department, and what is planned to be done in that area.

Mr. Chairman, that's connected to a larger question the minister might respond to in coming back, to do with his philosophy, in a general sense, regarding the department's role as far as building on community potential. Rather than coming in externally, what approach is taken as far as providing encouragement and support to build and develop existing potential in communities? This whole area of either municipal government or worker-based co-operatives is part of that larger area, and I wonder how important the minister sees that as a job creator in this province. How important is the development of community potential, and how active is he in working with communities and potential job creators in this province in supporting that particular approach to job creation and putting people to work in the province?

Also, Mr. Chairman, I'd be interested in the minister's expanding a little bit more on his position with regard to the whole issue of short-term or temporary or make-work approaches where money is invested in those kinds of programs as opposed to the development of new and permanent jobs. I know the minister referred in passing to his relationship with small business, but that's one of those examples of places where there are possibilities for permanent new jobs as opposed to simple programs that might put someone to work for a short period of time. I wonder where the priorities lie with this department. Is money going into short-term job-creation projects as the basic emphasis of the department, or is there a real commitment to the creation of these new permanent jobs in the province?

I would also like to pursue, and I know a couple of other members before me have, Mr. Chairman, this whole area of several careers, people retraining and beginning another career as their lives go along. I asked earlier if the minister could comment on what role the department plays in making sure people are making good decisions when this retraining and moving into second and third careers takes place. I don't think that was particularly addressed in the minister's response.

Perhaps I could just give a bit of the background that's behind my having asked that question originally. In the last few weeks I've been trying to talk quite a bit with people in apprenticeship training programs of various sorts in some of the institutions in the province that offer them. There seems to be a very high level of cynicism among people who have committed two and three years to apprenticeship training programs. They stay with the programs, but they're saying, "We know that when we get out there'll be no work in this particular field." As a result, as I said earlier, they're feeling a little bit cynical about the whole thing. I wonder what is being done to make sure people aren't committing two and three and four years to expensive and difficult training programs to prepare themselves for jobs that don't exist, and that they're aware don't exist even as they're in those programs. Are they just left on their own once they undertake training for some particular career, or does the department have an ongoing role to make sure people are taking training or retraining in areas that will allow them to have some satisfaction, to go out and do something they'll be able to see some results from and feel some rewards for doing?

I'd like to comment on another area and hope the minister will respond. When he talked about the creation of new jobs in the agriculture sector he used the phrase that one of the reasons more people have gone to work there is that there's been a lessening of wage expectations — those are his words — and that that has put more people back to work. That's an area that concerns me, Mr. Chairman, because there are lots of people in the rural areas of the province that I'm familiar with who are having a great deal of trouble making ends meet. There's certainly a temptation to take work even if it requires a lessening of wage expectations. But it doesn't mean the financial tensions and problems of the family unit are solved; it simply means that the person no longer has to put up with the frustration of sitting at home watching television and having nothing to do. Just because he's gone to work by lessening his wage expectations doesn't mean there's been any real benefit to the family. I know there are people who went to work at jobs at minimum wages who in fact could have continued to earn more on unemployment insurance. It's nice that they're back at work, but taking those kinds of wages

doesn't mean their families are assisted. What I'm concerned about is that the minister's comments in a forum like this are heard by people and create bad feelings between groups. Those people who are continuing to earn reasonable wages are then looked at negatively by those who have to lessen their wage expectations to take any kind of work. I have a lot of concern about our indicating that that's a reasonable direction to creating employment in the province. Do we create employment by saying to people, "Work for a lot less money and maybe even not enough money to really make ends meet properly," and then saying that we've accomplished something because we have people back at work?

We could follow that to its logical extension, Mr. Chairman, and each year find those people who have taken the biggest cut in income in this province and say that everybody else should take a comparable cut. We'd set up a situation where we'd put ourselves into a slide, and we'd soon be working for the kinds of wages people are in many other countries of the world. I have a great deal of concern about the minister's apparently suggesting that a lessening of wage expectations is a positive direction to putting people back to work, because I don't know where it ends. I think we need to look instead at the possibility of people having more security and more chance for every family in this province to have a reasonable income than to take the direction that seems to be taken, which says: "Well, we've got more people back at work; the figures for those without jobs look better. It's not important that that's been done at significant cost to the family by having to take jobs at lower wages." I'm interested in how the minister responds to that, Mr. Chairman.

Thank you.

MR. DEPUTY CHAIRMAN: Would the minister like to respond?

MR. ISLEY: Thank you, Mr. Chairman. In response to the hon. Member for Calgary Egmont, I suggest that we are seeing a trend to more and more part-time employment. That has its positives and its negatives. I suppose a positive is that more people are getting some opportunity in the labour force. The negative comes with this whole area of job security, benefits, et cetera. Probably one of the reasons for it is the rigidity that has developed in the past with respect to our collective agreements and the difficulty they cause when a company is faced with an economic decision to downsize, and hence management attempts to stay away from it.

I may not get as concerned as some members in this House about a reduction in security. I don't think too many here have job security in the future, and maybe a little bit of worry about security will increase what I think is a beginning trend toward entrepreneurship. I don't think we should ever forget that the economy of this province was built on entrepreneurship and risk-taking. Maybe we have been too guilty, through our institutions, through the upbringing of our children, and through our school systems, of creating the expectation in all young people that when they go out into the world, someone else has to generate a job with security for them. I may start a debate with that, but it seems to me that a shift back to entrepreneurship would go a long way to solving some of the unemployment problem we are discussing today.

The hon. Member for Calgary Egmont re-emphasized the point of training and retraining, which I appreciate. He

made some comments on the popularity of computer training today, and I hasten to add that the computer training of today will probably be significantly different from the computer training of tomorrow. People are going to have to look at retraining in that field to stay apace. In response to the question, do we sufficiently underline the need for changes in jobs as one goes through life, my response is no.

The hon. Member for Edmonton Norwood came back expressing some real concerns about the Alberta wage subsidy program. I thought I indicated in my earlier response that this program is monitored. First of all, in getting their application approved the individual must convince us that this is a job in addition to the normal number of positions carried by that firm or individual employer, with the odd exception, particularly during the winter months, where we allow some retention of positions, where we're flexible enough to allow the employer to use the program to keep from laying someone off. In addition to that, we monitor the program on a random basis. We audit the program on a selection basis. As I indicated earlier, we've hired an outside consultant, who has done an assessment of the program, and I am not finding evidence of abuse or any evidence that makes me suspect the private sector, which I believe is the creator of the long-term, permanent jobs, is deliberately attempting to rip off the public purse. The only evidence I can find is that they are responding very positively to working hand in hand with us in getting more people back into the workplace. If the hon. member has evidence of abuse of this program, I would be quite prepared to look at it on a case-by-case basis. The program has been in place now for over 12 months.

A question was raised by the hon. Member for Edmonton Norwood on the increase in the general administration and the planning and research components of vote 1. I would point out that ours is one of the departments that has increased dramatically during the economic downturn as far as our budget and staff are concerned. You can't administer a \$143 million job-creation and training program without having the staff to administer it. I might add that if I were to administer it with the type of policing the hon. leader is suggesting, I'd need a helluva lot more money in vote 1 than you're giving me.

What does the planning secretariat do? It's been involved in planning a lot of these programs. It's involved in analyzing many of the sectors of our labour force on a sector-by-sector basis. That information is used in determining where programs should be targeted and how programs should be designed.

I believe the hon. leader raised the question: do I agree with the high economic cost of unemployment? The obvious answer to that is: certainly I do not. But I don't think the answer is spending public dollars on high-cost programs which are going to maintain structural problems in our work force, which is how I analyze most of the suggestions I've heard from across the floor on how to attack the unemployment problem. There seems to be a feeling that if you throw enough money at it, it will go away. There doesn't seem to be a realization that maybe you're going to run out of money before the problem goes away. If the hon. leader has any positive programs directed at assisting people as opposed to maintaining structural problems, I'm certainly prepared to take a look at them.

Sunday shopping: again, I think reference was made to some newspaper quote. I believe the comments I've made publicly with respect to Sunday shopping suggest that I feel

the possibility is that there will be more part-time job opportunities. That may be viewed as a positive to certain sectors in our community, particularly students looking for part-time jobs when they're going through training. I believe I also made the comment that I don't think you can or can't justify the Sunday shopping issue based upon total employment levels.

How do we deal with technology? First of all, I suggest that we not be afraid of technology. I think we too often tend to talk about it as if it's going to do something negative. We've been going through technological changes in many of our industry and service sectors for years now, and I have yet to see much hard evidence of loss of job opportunities. I've seen shifting job opportunities. I've seen certain jobs become mundane and eliminated by technology, but you see other jobs developing as a result of technology. So first of all, I think we have to view technology in a positive sense, that it's good and that we must respond to it and keep pace with it. I suggest that the best way to keep pace with it is working with the sectors where it's taking place, which to a large extent is the private sector. Again I offer the on-the-job training program that we've developed in Alberta as one positive way of keeping employees in pace with technology, so they can shift to the areas where the jobs shift. Retraining is another option. I submit for hon. members' assessment that the Alberta wage subsidy program also plays a role here.

If I'm going to be asked to resolve the debate between the hon. Member for Lethbridge West and the hon. Leader of the Opposition as to whether or not profits create jobs, in my humble opinion, profits are the only permanent ongoing job creator.

The hon. Member for Lethbridge West expressed concern over a group that we as a government have become quite concerned with, and that is the over-45 group, probably the group that finds the greatest difficulty facing retraining or relocation. As a result of our concern for that group and the very positive response to the needs of that group by the volunteer sector, we're currently funding nonprofit organizations in Edmonton, Calgary, and Lethbridge to assist over-45s make the adjustment, whether it be to another job or retraining. Where are we going with that? I suggest that we are going to continue our efforts to help the over-45 group, and we will expand them into communities of additional need on a request basis. Possibly the hon. Leader of the Opposition and I will both have to take advantage of those services some day.

The hon. Member for Spirit River-Fairview again brought up the question of co-operatives, and I apologize for not addressing it the first time. I'm supportive of any group that wishes to go the co-operative route to create employment. We provide counselling services to those groups. I hasten to add that we haven't had many requests, and I certainly will not impose that on a community as the route it should be going. If the community says, "Hey, this is the way we want to go," we're prepared to work with them. We're not prepared to go in and say, "This is the philosophy you have to build your community around."

This brings me to building on the community potential that was discussed by the hon. member, with which I heartily agree and with which I believe this government also agrees, as many of its programs exemplify. But we believe in building on the community potential with the community, not imposing some other structure on it. I think we have examples of areas where we work with community groups through what you'd almost call co-operative job

creation and where we work with community groups through other types of job creation.

Make-work activities versus new and permanent jobs: we're into both. If you analyze the announcement of November 1 last year, you see a significant shift away from make-work job projects, which are mainly in the public sector, to the creation of new and permanent jobs, which are in the private sector. If you analyze the shift in our job-creation and training dollars over the last two years, you see a distinctive shift from public-sector job creation, where we pay the full shot and when we quit paying the job stops, to private sector job-creation, where in most of our programs we're paying less than 50 percent of the costs and evidence is showing very often that when we pull out the job continues.

Another question asked by the hon. Member for Spirit River-Fairview: are people making good decisions when they look at retraining? I respond by saying this: good decisions in whose opinion? I would say that a person has made a good decision if they walk out of the career counselling centre following their session or their experience with the CHOICES program or whatever and feel comfortable with the decision they have made. I would be very uncomfortable if I had career counsellors saying, once they laid the information in front of the person, "This is the way you have to decide." I'm a firm believer that it's not government's responsibility to decide for the individual; it's the individual's responsibility to make his or her own decisions with the best information available, then suffer the consequences or reap the profits of those decisions.

I have some difficulty with the comments the hon. Member for Spirit River-Fairview made with respect to the apprenticeship program. If you understand the apprenticeship program, it is employment-driven. In order to be an apprentice, I must be employed. We have made the rules a bit more flexible in the economic downturn to allow an apprentice to move one period of technical training above his practical experience. Remember that he only gets practical experience when he has a job in his trade. So the question that people are becoming cynical and discouraged because they've put two or three years into a program and feel there are no job prospects following it bothers me somewhat. If someone is moving through the system, that someone is employed because it's an employment-driven program.

My only response on lessening of wage expectations is that I made the statement earlier with respect to the agricultural community. I'm not standing here debating whether it's right or wrong. I made the statement because, as I assess it, it's a fact of life.

I think I will pass on the last comment I was going to make, Mr. Chairman. Thank you.

SOME HON. MEMBERS: Question.

MR. MARTIN: Yes, we have lots of questions in a couple of areas and then some new areas. He talks about throwing money and government bureaucracies. My whole question was: why is this government bureaucracy growing so fast? The minister talked about it being because of the recession, but surely that's a matter of government involving itself and throwing money at it. I notice this department wasn't even there before this minister came on, and now we're up to \$189 million. Surely that's just opposite to what the minister is talking about. That's government bureaucracy. If the programs need policing or guidelines, it was the minister's department that put them in; it certainly wasn't the opposition. We suggested things that don't require much

government involvement. We've talked about low-interest loans to the private sector through our Treasury Branches. That would stimulate the economy. We've talked about bidding to the construction companies. Whether you agree that they're a necessity or not, that doesn't require government bureaucracy. Mr. Chairman, the government bureaucracy is right here in this department. When you get into subsidies and all the rest of it, that's government bureaucracy. That's throwing money at particular problems. That's what that's all about, Mr. Chairman.

The question I was trying to get at, and I will try it again, is that we have a huge increase right across vote 1 but nothing specific. I was trying to find out what they do. Is it just administering these programs? It says "planning and research." Planning and research says to me that they are doing some planning and some research, and I want to know what planning and what research. I was very specific. Are they making recommendations about how we might lower unemployment? Are they making recommendations about technology and its impact and these sorts of things? What are they researching? Are they just researching the programs we already have and finding that they're unsuccessful? I think that's a reasonable question. You're the one talking about government bureaucracy, and you're the one that has this budget of \$189 million. It seems to me, Mr. Chairman, that that's government bureaucracy. I say quite frankly to the minister that the things we're advocating require a lot less government. I might point out that during the good times, this government had the biggest civil service in the country, outside of Quebec, and now they find they have to privatize. So don't tell me about government bureaucracy.

Mr. Chairman, the other thing I would like to look at, as it wasn't alluded to, is where that dividing line is. The minister actually said, and I would never want to take the minister out of context, that basically he was worried that we were becoming too security conscious, that perhaps we had too many pensions and all the rest of it. Maybe he would have liked it in the 18th century, when nobody had pensions. Maybe they were all entrepreneurs then and unemployment and things were going well. Maybe the minister would like to take us back to those joyful times. The question is: is the minister really saying that people have too much security and that there shouldn't be pensions and all the rest of it? Is that what I hear him saying? Then surely the minister will come back here . . . Because if he has been elected twice — and I'd be the first to admit that that has not been any difficulty for Conservatives here in the past — for five years, then he has quite a generous pension. I'm sure the minister, following his philosophy, will want to change that and give that money back, because he might not be enough of an entrepreneur after. He will become too sloppy and will not have that same drive. I really want to know if that's what the minister is saying.

Is this minister saying that he doesn't believe in security, that the proliferation of part-time work is really what this society should be going to, that people should have less purchasing power, that somehow it will make them better and the economy will hum more if we have a lot of part-time people at department stores and women who have worked all their lives and then are put out on the scrap heap with no pension at all? Is this what he's saying he wants this government to advocate? I want to know that, and I certainly hope the minister campaigns on that. I'm sure the voters will be very interested in the minister's analysis of this society and how we don't need security and

that as a result of it we're not entrepreneurs. I know now that following this philosophy, the minister is going to turn back his pension, because I know he wants to be an entrepreneur. If he wants to be an entrepreneur, I don't know what he's doing here in the government.

The other thing I want to say, Mr. Chairman, is that I was not debating the Member for Lethbridge West. We all recognize that profits play a role. I'm sure I have as many economics courses as the hon. minister. I said "if" technology is used only for profits and the other end of it isn't taken, it can create high unemployment. The minister is well aware of that; at least, I hope he is. Profits don't necessarily mean unemployment; just ask Inco, after they made record profits in Sudbury and then moved out to Guatemala, where they could get slave labour. If that's our analysis of what we want, then fine. Let's not be flippant about that sort of attitude.

I suppose the other area I want to ask some specific questions about comes back to technology to some degree, and it's what I was trying to drive at about technology. I agree with the minister: we shouldn't be frightened by it; it's reality. But my point is that surely it can't just be the prerogative of management and the corporate sector to decide that only they will use it when they want to use it. There's no other industrial society, including Japan, that has said that. The point I was making is that if it's just used to maximize profits and we don't care about unemployment — I suggest to the minister that governments, labour, and all the component sectors have a very important role to play in the discussion of technology. It has worked where management and union boards have worked very closely together to make sure it creates new jobs. That's my whole point: if it's used properly. But it takes a whole process. I guess I was wondering if the minister's department has looked into the whole idea of industrial democracy and where that has worked.

The other area that ties into the vocational end of it has to do with career counselling. Having had some experience, but not recently, in this whole area, I appreciated the minister telling me what counselling is. I now know what counselling is, since the minister told me. I only had six years of training in that. Of course government doesn't tell them. That's not what counselling is. They don't come in and say, "This is your job." My God; I'm sure we all know that. They look at alternatives with people, and we're well aware of that. There's good counselling and bad counselling; I'm sure the minister is aware of that.

It seems to me one of the important areas, especially at the high school level — and maybe the Member for Edmonton Kingsway could allude to this — is that liaison for career education should be occurring at the school level. Besides the career counselling that is done by the minister's department, I wonder what liaison or movement his department has been making toward working very closely with school counselling and what liaison the minister's department has with the Department of Education to make sure that that level of career counselling is carried on. They want to make those decisions the minister is talking about. They want to make realistic decisions; they want to look at the whole concept of work. But it's going to take a lot of counsellors at the school to do this well. Your department may deal with them later, but I suggest that it's much better if career education goes on right through the school levels, because then they'll be making better decisions. So I'm asking what relationship the minister has at that level in the school system.

Another area is apprenticeship. You can start an apprenticeship program, Mr. Minister, not necessarily by being in the work force. As the minister is well aware, there are vocational courses at the school level that start them in that direction. Unless they've changed this, you can take up to — the minister is shaking this head. Let's say you've passed Auto 32 and you get a job; you can then write your first year and, in some cases, accelerate the second year. That's not the major point I was making. I wonder what's happening right now in terms of the construction trades and vocational courses. What thoughts does the minister have about vocational education generally in the school system, and what advice is he getting from his department about this? Are some of these jobs we're training young people for in the schools — and I don't know the answer to this; I ask sincerely — jobs that might not be there at this particular time? I might say that the teachers do an excellent job with those courses. But if we're still training people and taking them into those vocational courses, we're inevitably going to have high unemployment in that area. I wonder if there's been any thought about what is going on at that level.

The last question I have for the time being is the whole role of liaison between the Department of Advanced Education and the Alberta Vocational Centres. What feed-in does the minister's department have, and how closely do they work with them? What is the relationship?

Thank you, Mr. Chairman.

MR. GURNETT: I want to briefly follow up some of the minister's comments and try to get a little more exact comment from him. I appreciate the information and his feelings about co-operatives. I recognize what he said about not imposing co-operatives as a particular way to create jobs in communities, but my feeling is that there is still a significant difference between imposing and encouraging or promoting this method of creating jobs. As he said, there's very little happening in this province right now with regard to worker co-operatives or community-based co-operatives. I wonder whether there's any recognition that, first of all, this may in fact be a preferred route to go about job creation, whether the minister recognizes that this may be an ideal way to create new jobs, especially in small communities, and whether he would accept that there is a need, while not to impose, to provide encouragement to at least give an equal chance so that a co-operative approach to job creation can succeed.

I'm thinking of his comments about entrepreneurship and the fact that it may be good to encourage entrepreneurship. But a small group of workers in a small community who are having to think about creating jobs through a co-operative approach may have a great deal of difficulty competing against, say, a large multinational corporation as far as resources they have access to and the kinds of possibilities they have to be successful. I'm not advocating — and I wasn't earlier, Mr. Chairman — that the minister start imposing co-ops as a preferred way to go about creating jobs, but I wonder whether he recognizes that it may be necessary to provide more support so that route can be followed in order to let them have an equal chance to be successful compared to the chance a much larger business is able to give itself by the advantage it already has. I don't think that's interfering unfairly in the whole concept of entrepreneurship and personal initiative, which certainly needs to be encouraged and fostered. It's simply creating a better chance that we won't have personal discouragement when an idea by a group of people fails because they can't

compete with the much greater competition of a large corporation or business.

I was concerned about the same kind of generalities, Mr. Chairman, when the minister responded about counselling and some of those things my colleague addressed. For example, I wonder if the minister has any idea how many people are involved in training programs in this province who have not had access or have not taken advantage of any kind of counselling or assistance in making those choices. My feeling is that probably within the public institutions, a very high percentage would have been involved in some kind of counselling and assistance through these routes. But there are also a lot of private groups and companies involved in training programs, especially in some of the high technology areas. I wonder if the minister knows how many people may be spending time and money taking training in areas and they've never taken advantage of any counselling. Again, that's not to suggest, any more than it was with the co-ops, that people should be forced to make a particular decision out of any kind of work with the CHOICES program or as the result of some counselling. It's simply to inquire whether or not everybody is at least being given a clear picture of what the direction they may be considering involves. In that connection, I wonder how much research is being done and how available the results of that research are to people who may not be in a public institution as far as the long-term career possibilities or even the short-term career possibilities of some of the areas that people might be encouraged by skillful advertising, for example, to become involved in that may not have a good basis in actual earning possibilities for those people when they get out.

The other comment I want to make, Mr. Chairman, follows up on the minister's comments about the feelings of people in the apprenticeship program. I was simply reflecting a statement that was made to me a surprising number of times. I hadn't expected it either. As the minister said, that's one area where you would think that because people have to work in between the training periods of the year, they would be there because they felt comfortable about the job possibilities. But that cynicism is certainly there, and it's expressed far more than I thought it would be. I wonder if it's tied to the fact that although they may be able to go back to an employer in the periods between training and apprenticeship, they're aware that once they have to be paid journeyman wages as a real craftsman in the particular area they're taking apprenticeship training, they don't have the possibilities there. For example, is there any idea of how many small employers, especially, sponsor and move people through apprenticeship programs and are continually having their work done by people at various years of the apprenticeship program and by that means avoid having to make the kind of commitments a journeyman deserves as far as wages. That was really my concern. I wasn't making up an expression of people's feelings in the apprenticeship training but simply asking for comments about a concern people in those programs have been expressing. Thank you.

MR. DEPUTY CHAIRMAN: In view of the number of comments the minister may have to make in response, I ask that maybe the committee rise and report.

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

[Motion carried]

[Mr. Speaker in the Chair]

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

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

HON. MEMBERS: Agreed.

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

MR. SPEAKER: Do the members agree?

HON. MEMBERS: Agreed.

[The House recessed at 5:25 p.m.]

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

head: **COMMITTEE OF SUPPLY**
(continued)

[Mr. Purdy in the Chair]

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

**Department of
Utilities and Telecommunications**

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

SOME HON. MEMBERS: Question.

MR. MARTIN: Question, question. You wouldn't want to disappoint the minister, would you? It's his night.

Mr. Chairman, there are a number of issues. As in the past, I will go through a couple of areas and then come back on some other matters. To follow up the ongoing saga, if we will, of EdTel and AGT, I think all Albertans, and certainly Edmontonians, were glad that we finally had an agreement. I wonder if the minister could update us on what is happening as a result of the agreement, so people, specifically in Edmonton but in Alberta, will know precisely what the process is. Arbitration: does he know who the people on the government side and the EdTel side are? When will that process start? When do they expect it to end? We had the operator intercepts — quite a thriving employment business at the time. Could the minister indicate if there will be any staff layoffs as a result of this agreement and what the impact there will be and what he sees in terms of how many. I guess they would have been laid off.

The other area I want to come into is what now seems to be a new area of disagreement, toll switching equipment. I have in front of me an article from May 8. It says that

the minister said that Edmonton can buy all the telephone toll switching equipment it wants, but it can't plug it in. The minister basically goes on to say that any attempt by the city to bypass the AGT system for long-distance purposes will see a court injunction. I wonder what the point of this is. We were all happy that we had one agreement, and I think the last thing people want is to go into another area. Why is the government's policy that Edmonton Telephones, a telephone company that was here even before AGT — we've gone through this; the minister will acknowledge that. Why is the province so determined not to allow the city to have and use the toll switching equipment? It seems to me, Mr. Minister, that if we recognize that Edmonton Telephones has the right to exist as a telephone system, then it needs the right to operate as a total telephone system. Of course, this is relatively profitable. I point out that EdTel is the city's heritage trust fund, if I can put it this way. There has been major agreement; I think most Edmontonians would agree and suggest that we want these. I didn't think this was a major problem if we got the other agreement, the toll sharing, and both sides have agreed on that. I wonder if the minister would tell us why he is so adamant — at least reportedly; maybe it was reported wrong. Even if we lose the court injunction, as I understand it, we'd say, "We'll just change the legislation." It seems to me that's not a particularly proper way to go about trying to organize a fair and equitable structure that both AGT and EdTel can live with.

There are some other areas, Mr. Chairman, in which I have a few questions, just for an update. It's our annual update on the Slave River dam. It is my understanding that there was a financial feasibility study expected as long ago as June 1984. Flowing from that, I have a number of questions, if I may. Can the minister confirm the date when this decision will be made public? Can he update us, or is it on the back burner for a number of years? In addition to the financial feasibility study, what other studies are being initiated with regard to the dam? Are any of them environmentally related, to see what the impact would be on the environment? Is the public information office located at the dam still open?

One final question in this area: will the minister reconsider participating in the western Canadian power grid? For example, Mr. Chairman, additional power from Manitoba may be an alternative. We've talked about this before, but I believe it's a year since we've discussed this, and things can change. I'd like the minister's comments on the Slave River dam and the western Canadian power grid.

The third area that I have to raise again, Mr. Chairman, has to do with Genesee. Can the minister update us on where we sit? With Genesee in the past, it's my understanding he said the city could go ahead if they wanted but they would do it on their own. We and many other groups, the city, have made the case that in terms of a high priority area — we went through unemployment today. I point out that Edmonton has the highest unemployment in the province and the most decimated industry is the construction industry. Genesee isn't the panacea for all of it, but we're wondering if and when a decision might be made that it could be upgraded to some of the other ones.

I make the case, Mr. Chairman, for many people. The minister is aware, I'm sure, of a study that was commissioned in Edmonton by Edmonton Power. There are a number of things in the study, which I'm sure the minister is aware of. There is a high awareness, 63 percent, among citizens that Edmonton Power is constructing a power plant. Among

these respondents, 84 percent were able to name the Genesee project. The majority, 55 percent of the sample, said: yes, Edmonton Power should be allowed to build the project without delay; 33 percent weren't aware. Only 12 percent were against it.

I say that just to make the point. I know the minister is not going to be changed by an Edmonton Power study. But I can assure the minister that in Edmonton — I could go through a number of them, but I think the study just confirms that the citizens are well aware of the Genesee project, and the vast majority of them feel it should go ahead. There are a couple of reasons for that, as the minister is aware. One is the unemployment and the cheapest time to do it. I've made that speech many times in the Legislature. The second is the value to the city of Edmonton of having our own public power source that we're running out of. I wonder if there are any changes. If I recall, I believe the ERCB is reviewing this again. I wonder when that meeting is and if the minister can update us on this.

There are some other areas, Mr. Chairman, but it gets a little disjointed. I'll leave it with the minister to reply to those three areas, and from there we'll follow up with some more things.

MR. BATIUK: I would like to mention two or three comments and concerns. But first of all, Mr. Chairman, through you to the minister, I would like to mention that I appreciate the stand he has taken on some of the programs he has initiated and also the bold moves he's made during his tenure as Minister of Utilities and Telecommunications.

REAs have been a problem for a good number of years. I remember that in 1973 the Minister of Recreation and Parks, the Member for Athabasca, and I served on an REA committee because there were already concerns at that time that it was time for a new master contract, and there were other things. That has dragged on for the last 12 years, and it still hasn't come to complete satisfaction. I wonder where the problem really was. I always went along with: maybe the power companies were hard to deal with, and so forth. However, about a year ago the minister called all the REAs in the province for a meeting. At that time it was proposed that there be four principles legislated for a new master contract, and it seemed it would be the right thing. Negotiations for this went on, and last fall both the power companies and the REAs agreed to accept four principles, with as much even as the contract to be renewed every five years. I guess the present contract has been in existence for maybe 45 years or so.

Something has happened since, and this has still not come into being. It seems that every time we're just about at a total agreement, somebody asks for something else. I'm starting to wonder whether the REAs are not going out of step already. When I discuss this with the REAs in my area, they agree that those four principles should be accepted. Sure, there'll be changes needed. But once their master contract is negotiated, they can have changes again in five years' time. As long as this carries on, another five years will go by and still nothing will be done.

I've been a member of an REA for 35 years, and I'm very happy with the service I get from the power company. True enough, I don't like everything. The cost of power has gone up, not only doubled and trebled but maybe 10 times as much, but many other things have gone up. I am just wondering whether the minister will be able to advise how far things have gone on this new master contract, whether there is any possibility of its ever materializing.

Another area of concern is the franchise areas for natural gas co-ops. It seems to me that in second reading of the price protection Bill for natural gas, concern was mentioned about the franchise areas. Somebody may be living right alongside one gas co-op, but just because he is in the franchise area — he may be two or three miles away — he is forced to take natural gas from the franchise area, making the cost considerably higher. Maybe this is all right, but when the government subsidizes to such a great extent, I think it should be looked at, because not only is the customer paying more money but also the government. It seems to me the minister at that time indicated that this could be reviewed, with the possibility of making amendments to that.

Another area I must say a big thank-you to the minister for is his consideration in helping out a small community in my constituency with some of their environment and water costs. They were just on the verge of throwing up their hands and asking Municipal Affairs to take over the village. I really appreciate it, and I'm sure that the people over the entire constituency commend the minister for taking that step.

I'm going to stop with this, and I would like those comments responded to. Thank you, Mr. Chairman.

MRS. CRIPPS: Mr. Chairman, I want to make a few comments. I've certainly enjoyed my role as chairman of the utilities committee and working with the minister. He's been excellent to work with. I know all members have appreciated the amount of discussion and input the utilities committee has had with the minister.

I'm pleased to say that the Union of REAs and the utility companies have reached an agreement in principle on a new master contract. I know that a lot of diligent effort will be needed on the part of both sides to resolve this issue and ensure that all contracts are negotiated.

I want to ask the minister a couple of questions. We've had some representations that the gas co-ops are tied in to expensive gas. They'd like to know if there's a possibility of having Gas Alberta negotiate for better contracts. I understand there is some leeway for negotiation, and I hope the minister will comment on that.

There are many long-time telephone employees and former executives who maintain an association with the communication industry. I understand the 10 Canadian chapters of the Telephone Pioneers of America held their annual assembly in Edmonton from last Thursday until Saturday. Could the minister tell the Assembly what the main purpose of this organization is and how it maintains contact?

Mr. Chairman, last year the Member for Cypress asked a question about the single-party lines in rural Alberta which have been dropped, either from people moving or selling out — some change which has made it unnecessary for a phone line. So if the line has been paid for once, the question was: why can't the new owner have the phone line reinstated without paying for the whole thing again? I hope the minister will answer that question on behalf of the Member for Cypress, me, and many other rural Albertans.

Thank you, Mr. Chairman.

MR. GURNETT: Mr. Chairman, I'll start by posing some questions to the minister that come from the entries in the estimates and then ask some questions in other areas as well.

I see vote 2 is down approximately \$7 million from last year. This is related to the whole area of natural gas utilities. I wonder if the fact that it is down, and basically the reduction is in the whole area of assistance for developing natural gas service, is an indication the system is now complete and adequate, or if there is some other reason why there's a significant drop in the money being spent for that system.

In connection with vote 3, natural gas price protection, I see that the remote area heating grants are also being reduced by a significant amount. Again, I wonder if there is an obvious reason why that's happened, whether it's because so many people are away working in the winter that they don't need to be heating their houses, or if there is some other reasonable explanation for what's happened.

My colleague asked for some information updating the Slave River dam situation, and obviously, coming from and representing Spirit River-Fairview, I would have to ask if the minister could give some kind of update, any conclusions that are in place, any possible future that has or has not been determined to happen with the Dunvegan project. I know that people there have watched the soil testing and have continued to have an active interest in whether or not something is ever going to be developed there and would be very interested to have some report directly from the minister about just where that project lies and where it's at right now. Various stories float around that it might be imminent or it might never happen. So I wonder what its status is, in the minister's view at least, in the planning of overall hydroelectric projects in the province.

In thinking about the development of electrical power in the province, I wonder if the minister could take some time to indicate what's happening with the encouragement of renewable energy possibilities for electrical energy. I know there has been some concern. As I understand it, in Alberta right now, if a private individual or perhaps a small company were generating power through renewable means such as wind generators, they would not be able to sell that into the power system in the province. Maybe the minister could detail how those kinds of things stand, because certainly it's a good case of a possibility to encourage private initiative there. In some areas of the province it may even be that renewable energy means of generating electricity are a much more cost-efficient way of producing electricity, if not now, in the near future.

I think this whole area is something that has a particular importance, because no matter where we're at with non-renewable resources as far as gas, coal, and oil, there's no question it's not too many decades before those things will be running out. I wonder what's happening right now, and also on the bigger scale, whether there's any support, whether the minister's department is actively investigating becoming involved in more extensive experiments to deal with renewable energy electricity generation, and whether there's any effort to look at pursuing research in this province that might give it some chance to become a leader in the renewable energy field in the same way that it's known as one of the nonrenewable energy capitals of the world. I would be interested in the minister's comments on that whole aspect.

In vote 6 of the department I see a reduction of about \$6 million. Mr. Chairman, vote 6 deals with financial assistance for water and sewer projects. I know that in responding to some questions that I asked another time here in the House, the minister indicated that Edmonton, for example, with its desire to do something about its old cast-

iron water mains that have to be replaced could always access funds through the financial assistance that's available. Since the information about the major work that needs to be done on the Edmonton system has been available, I wonder if the minister has undertaken any reconsideration of more funding being available to support works in this particular area so that Edmonton could perhaps get on. There may be other municipalities that also need to get ahead with things in that area of water and sewer systems.

I'll be listening as well to the minister's responses to the questions from the Member for Vegreville regarding the REAs. Certainly in my part of the province there's some very keen interest in what's been happening with the relationship between REAs and the power company we deal with and the whole action that's been going on in connection with negotiating the new master contract. I would be interested to hear some more detail about what's happened. I know there's been a lot of concern about the number of REAs that have collapsed in our part of the province and then have been taken over by the private power company. I'm looking forward to hearing that the new master contract will guarantee that the REAs will continue to have a significant role to play in the delivery of power throughout this province.

I know there was some particular concern, in connection with the negotiations over the new master contract, over the fact that apparently Jim Foster, who was negotiating on behalf of the Union of REAs, had run up a bill that was some \$100,000 in excess of what the REAs had originally felt they were going to be able to pay. There was talk about how that extra tab could be taken up, perhaps through a one-time levy or some other means. I wonder if the minister could confirm for us how that shortfall will be paid, if he's aware, whether it will be through a one-time levy or just how that will be taken care of.

DR. BUCK: You should see his prices when he studies hogs.

MR. GURNETT: As I said earlier, any other detail that can be shared with us about the nature of the master contract, particularly with regard to each of the four principles the REAs had been interested in and had presented in their submission.

Also, in thinking about electrical energy being available in rural Alberta, Mr. Chairman, I'm interested in the situation with the Electric Energy Marketing Agency. As I understand it, the purpose of that agency was to equalize power rates around the province. But then we had Bill 78, which was passed and created these three categories of power rates: the industrial, the commercial, and the residential rate. Rural farm was lumped in with residential, and I believe they're the highest of the three categories of rates. I wonder what effect that has had on the delivery of electricity in rural Alberta. If farms are in fact classified in the residential category, does that mean that even though the bulk of the electrical use on a farm may not be residential, they're ending up paying for their electricity at a residential rate? I'd appreciate the minister's clarification on those matters related to power in rural Alberta.

Turning for a few minutes to the area of telephones, I had a chance to look briefly at the annual report of AGT. I was thinking that it's too bad the minister of energy wasn't here tonight because his comments about the number of acronyms in the energy field would be more than matched by the number of those that are found in the AGT report.

In quickly glancing through, I note that we have CASS and STARS and MOSS and PERILS and BOM. He would probably enjoy that.

In looking at telephone service, I am more particularly interested in whether the minister has any idea yet when we'll see some action with regard to Motion 210, that was approved here recently. I'm also interested in how well known among people in rural Alberta the Zenith access number for the RITE system is. I'm aware that for every municipality the Zenith number is listed at the beginning, under government of Alberta, but my experience has been that a large number of people are not aware that by simply dialing that Zenith number, they can get access to the RITE system. I wonder whether the minister is aware of any study that's been done to see whether the current way that that number is made known to people is adequate or whether in fact there's a significant amount of telephone traffic to government departments not coming in through the RITE system because people aren't aware that they can access that. It's probably very difficult to determine how many long-distance calls come in compared to the use of the RITE system. I know that a lot of people in my area have been surprised to find out they could dial Zenith 22333 and have access, and I wonder how general that lack of knowledge about that easy access is.

I want to pursue a little bit something that came up peripherally in talking about Motion 210 on April 30. At that time I thought you, Mr. Chairman, as the Member for Stony Plain, made some very good comments about the possibility of us looking at private-line service for rural Alberta. You said:

There are many farmers and businessmen in rural Alberta right now that need single line service, but single-line service is very, very expensive It's unfair to these individuals, and I think we as a government, along with AGT, have to look very seriously at supplying single line service to our rural areas and getting away from this four-party system.

I review that quotation because when the minister spoke on the motion the same afternoon, he credited bringing up single-line service as my idea, and said:

the hon. Member for Spirit River-Fairview has put forward a suggestion that each rural Albertan should have, in addition to this program, an individual line service provided at no cost, I would only like to say that someone has to pay the bill . . .

I didn't want to take full credit for that idea, although I think it's an excellent idea. I know that all the people in my area would appreciate it, but I thought we should share the responsibility for bringing up that very worthwhile idea. I'd be interested in the minister's comments about the possibility, because I think there are a number of serious reasons why we should be looking at that and not dismissing it too easily.

I note in the annual report we were given this afternoon that on page 6 we're told that "AGT does not oppose the concept of competition." Yet as long as we have multiparty rural service, there can't be competition in the provision of equipment, for example, because we have to use AGT equipment on the multiparty lines. Also, I'm concerned that the multiparty lines don't permit the use of touch-tone equipment. For elderly people and for the very young, touch-tone is a distinct advantage over the old dialing kind of equipment. I'm also concerned because quite a few people in my area, and I'm sure around the province, are increasingly making use of computers and modems on their farms.

It's not possible to make use of that equipment when you're on a multiparty system, without having to make a lot of arrangements with your neighbours beforehand, at the very minimum. So I would be interested and would appreciate the minister maybe taking time to give some idea, in a serious way, how possible it is to look at single-line service.

As I said on April 30, I was surprised that apparently the lines can already handle the volume of calls without new lines having to be put in, at least in our area. So I wonder about that. I also wonder if, where there are areas where the lines can't handle single-line service being available to all people, whether we can look at the possibility when we change over to fibre optic lines and lines have to be replaced anyway, of there being at least a provision for single-line service by that point. If that is something that's possible, I wonder what the time line is for that and when we might be seeing a changeover to the fibre optic type of lines.

Those are probably lots of things for the minister to respond to for now, so I'll look forward to his answers. Thank you, Mr. Chairman.

MR NELSON: Mr. Chairman, I have a couple of areas I'd like to briefly discuss. One of them is the electric energy marketing association. First of all, it should be recognized that I, in my capacity as an alderman, and those of us from Calgary who had the opportunity to look at this a number of years ago when it was first proposed certainly had our concerns about it then, as we do now. Possibly the minister could assist. I'm sure the minister hasn't seen this, but I've had some calls. The city of Calgary sent out their utility bills this month with a useful little ditty. In part it says: the basic purpose of EEMA, as described in the agency's 1982-83 annual report, is to alleviate the problems arising from the large electric energy cost differential between consumers in northern Alberta and southern Alberta. It goes on to say that that means Calgarians must subsidize consumers in northern Alberta.

It goes on to say that a new subsidy was introduced in the EEMA legislation passed in 1984. I guess we should emphasize the word "subsidy"; however, it isn't emphasized very well here. It goes on: in addition to subsidizing northern Alberta, Calgarians must subsidize farm consumers of electricity all over the province of Alberta. It goes on to say that the minister indicated that changes to the EEMA would have no negative impact on customer bills until September 1985. On the bill it says: the provincially pooled cost of generation and transmission of 4.37 cents per kilowatt hour is included in this statement and amounts to — and it has a figure which equates to nearly half the cost of the electric energy on these bills.

Mr. Chairman, it seems that the city of Calgary has deemed it necessary to suggest to Calgarians that they're getting ripped off. Quite frankly, after September I am concerned that maybe we're going to have some difficulty with regard to how much of an increase we are actually going to see in our electricity bills in the city of Calgary, considering what we were paying prior to the development of the Electric Energy Marketing Agency. If this be the case, we should also have to make a case relevant to the city of Calgary's collection of some \$27 million from the taxpayers of the city of Calgary for the surcharge they put on natural gas. I'm sure we could have a back and forth war as to who's charging who what. I think this area and this kind of material that's being put out in the city of Calgary has to be examined, especially in light of the

situation relevant to the electric energy costs in Calgary compared to what they were when there was no energy marketing agency.

The other area, Altel Data, is one of my favourite subjects, not necessarily in the manner in which it's slated right now. It's interesting. I, too, had the opportunity very briefly to have a look at the annual report of AGT. Other than having a few written words relevant to Altel Data and NovAtel and so on and so forth, I don't see any separate financial information. As I say, I haven't examined this whole thing totally, but I haven't been able to pick out any separate financial information relevant to that.

It's certainly interesting to note that AGT is really out in the marketplace investing in different organizations: Telesat Canada, Elinca Communications Ltd., Cybernex Ltd., NovAtel, et cetera. It's also interesting to note that the response to the amended Motion for a Return 151 last fall states:

Altel Data is not a separate company but a division of Alberta Government Telephones (AGT). Its operations are in many respects integrated with those of AGT's. Separate financial statements are not published for Altel Data. For these reasons some of the costs and revenues provided in the answers are AGT's estimates.

It's interesting to note the estimates of 1983 operating budget revenues of over \$91 million and expenses of just on \$36 million. I'm just wondering what the true financial situation of AGT is without these other consortiums that AGT is involved in, especially in examining the AGT annual report, wherein there is a cancellation of a mobile radio project with a joint venture through NovAtel Communications and the commission's share of a writedown in the amount of \$12,263,000.

Mr. Chairman, I'm concerned first of all about Altel Data being out in the private market. I know it seems that as far as discussing this, it's going on deaf ears in this government. I don't think that we should be out with Altel Data and all these other organizations. Take NovAtel, a company made up of Nova, an Alberta Corporation, and AGT. You go outside the province, to Montreal, and open a plant that has been owned by the consortium for awhile, I guess, and start developing product. Here we have two major Alberta corporations, one supported by the Alberta government through AGT, creating jobs outside the province. I really get upset about this, as do some of my friends, especially those in the business community who have some concerns about this whole organization. I guess my question to the minister is: when are we going to consider taking Altel Data and some of these other organizations from within AGT and selling them off to the private sector?

The other concern I have is that Altel Data is now having products manufactured in Korea, which is now manufacturing the NovAtel's 2881 mobile telephone units under license. Why couldn't they be manufactured here in Canada, considering Northern Telecom is manufacturing systems here and we certainly have the technology to do it here? I'm concerned that we should be giving more of an effort to try to produce this.

Altel Data indicates that they are a one stop solution for data communications and information processing needs, which is probably a correct statement. Unlike many of our people in the private sector who have to really go out and compete for share of market — they get discouraged because they have to buy in or somehow deal with AGT to get hooked up onto a line. Altel Data doesn't have that problem,

because there's a monopolistic situation with AGT. And, of course, they finance the development of all these transmission lines through the government and what have you, but it still is monopolistic. Again, I think the best thing to do is get rid of Altel Data and put that into the private sector. Then everybody could compete on a fair and equal basis.

Mr. Chairman, those are my comments for the moment. As I say, I've looked very briefly at the financial statement, at least the annual report of AGT. I'll continue to examine it. There are some other comments possibly relevant to the response to the amended Motion for a Return 151, and of course further discussion may be brought forward relevant to the rest of the estimates.

Thank you.

MR. STROMBERG: Mr. Chairman, first, on behalf of a lot of my constituents, I would like to express our appreciation of the good job the minister does on a lot of little things that happen: somebody can't get a phone in, somebody has their phone disconnected, somebody hasn't paid their bill or has been overcharged. I don't know how the minister's office can handle these thousand and one complaints in 24 hours, but believe you me, it's appreciated. It's appreciated enough that I've now put the minister on my Christmas card list. Mind you, that can be changed before December.

Two members mentioned earlier a report on the Slave. I also would like to know if we're in a hold position on the Slave and the proposed Dunvegan dam or in a go/no-go situation. In regard to B.C. Hydro, the Dunvegan dam, and the three elevations proposed, if it went to the high dam, it would flood past the Peace dam in B.C. to the tail waters of the Bennett dam. As I understand it, if we go for the middle elevation, it would come up to the Peace River dam, just outside Fort Hope. What are we going to do if B.C. Hydro and the B.C. government decide to develop their last hydro site at Fort St. John? That's pretty well going to wipe out any chance of a dam, unless you have such a low one that it really doesn't make it worth while. But you can comment on that later.

Also, would the minister give us some idea — there are a lot of concerns in the Northwest Territories, especially with the Northwest Territories Council, as to the flow that will be coming into Great Slave Lake. They've had quite a variation. These last 10 years their lake has been steadily dropping. They blame it on a number of things: their government, the federal government, and especially the Bennett dam. The Northwest Territories Council has requested that we have a treaty on the use of the Slave River. I don't think that's such a bad idea. If we had had a treaty in place, such as we've had with Saskatchewan and Manitoba on the use of the South Saskatchewan water, where we can use only half the water and the other half has to be released, I believe we'd never have been into this problem at the early beginning of the construction of the Bennett dam and the drying out of the delta.

If we had a treaty with British Columbia for the release of water and the right time of releasing that water — I'm not that familiar with it, but I read stories where in the past the release of power off the Bennett, when all turbines are going, is during the month of January, the shutdown during the daytime, and then of course affecting ice conditions at the town of Peace River: water right to the top of the dikes, manholes blowing off, they're having to sandbank their manholes. And a promise every year that B.C. Hydro is going to release the water gradually and not

try to drown out the town of Peace River. Another reason for a treaty is that we could get some management of that water not only in British Columbia but through Alberta and to the concerns of the Territories.

I realize that some of the argument to go ahead with the development of the Rapids of the Drowned at Fort Smith or the Mountain Rapids or — I forget the term of the other rapid — is that the Slave would produce, for the next 10 years, 50 percent more power, I believe, than what our needs are in Alberta. To me that's a golden opportunity for us to be exporting power to the United States. We've had several proposals for exporting power within the province. I believe the Blackfoot Band at Gleichen have made a presentation to your department for a thermal coal power plant with total export to the United States till it's needed within this province.

I think we've missed a bet on the export, especially to California. I look at what B.C. Hydro has done. They've just completed the Revelstoke dam, and I suspect that a fair portion of that dam will be paid for by export to California. They have a couple on the drawing board: the damming of the Liard River, the Fraser, and also a river I can't pronounce and can't find anyone in caucus who knows of the river, but a very major river in the extreme northwestern part of British Columbia. So if they develop their hydro, they're in a position where they can pretty well supply the whole southern U.S.

Mr. Minister, I know our argument here is that if we export power to the United States, especially to California, what are we going to do with the 5,000 natural gas wells we have capped. We've got a good market down there now for natural gas that's being burned in their power stations. But last year the Governor of California announced that because of the high price they would be gradually phasing out of natural gas for thermoelectricity. I believe that the day our oil and gas does run out here, if we start developing now — and there are a lot of problems, but that's no reason we can't sit down and talk with the state of California or some of the other western states on the idea of export. Can we make arrangements with their power companies and transmission lines, et cetera?

With that, I'll keep my Christmas card list open till I hear the minister's comments. Thank you.

MR. KOWALSKI: Mr. Chairman, it's always a pleasure to be able to say a few words about the estimates and the Minister of Utilities and Telecommunications.

Basically, I'd like to provide some embellishments to the minister. I think he's had a heck of a good year in a series of initiatives with respect to a number of major groups in the province of Alberta. I want to commend him very much on the empathy he's shown with the many submissions put forward to this government by the Alberta Federation of Gas Co-ops. In talking to the co-ops in the constituency I represent, all of them were very pleased with the open-door policy with which he conducts his office and the manner in which he has officials in his department meet with the Alberta Union of Gas Co-ops. As well it's been an interesting year in dealing with the Union of REAs. Once again, in talking with the REAs in my constituency, they all communicated to me that they're very pleased with the major initiatives that have come forward.

I'm also very pleased with the positive response that he's indicated to a number of municipalities in the constituency I represent with respect to the water and sewer assistance program, in particular the major initiative forth-

coming to a major community in the constituency of Barrhead, that is the town of Barrhead. I'm very pleased with not only the co-operation but the innovation put forward by the minister and the key officials in his department. As well, the village of Onoway and the town of Swan Hills have also benefitted significantly from that water and sewer assistance program. In the case of the town of Barrhead, Members of the Legislative Assembly may be pleased to know that that community is going to be receiving a grant allotment of some \$1 million. In terms of the total population in that community it amounts to a grant of about \$250 per capita for assistance. It will be a very significant benefit not only in improving the quality of life in that community but also in significantly reducing property tax increases.

In looking at the annual report of Alberta Government Telephones, that was filed today, as an Albertan I'm just delighted to note that in the fiscal year ending 1984, AGT showed a profit of some \$11 million. I think that has to be compared to rather significant losses of almost twice that amount in 1983. As a citizen and a taxpayer in the province of Alberta, I'm pleased with that initiative.

The minister, along with the Member for Edmonton Gold Bar, used his good offices in arriving at a resolution to the AGT/ET problem. I know the Member for Edmonton Gold Bar used good offices in tricky times, perhaps abused by some of the media in the city of Edmonton, but in the end he turned out to be a magnificent negotiator, along with Alderman Ed Leger. I guess it only goes to prove that if you put two level heads together in a room, some positives can come out of that. I want to express thanks not only to the minister but to my colleague the MLA for Edmonton Gold Bar for representing the people of Alberta in these very interesting negotiations. I'm sure that both he and Alderman Leger feel very pleased that they were able to arrive at a conclusion in that respect on behalf of all the telephone users in the province of Alberta.

Finally, Mr. Chairman, I just want to throw out two more bouquets to two of the officials in the Department of Utilities and Telecommunications: to the deputy minister, Vance MacNichol, who I found to be very empathetic — his door has always been open, and I view him as one of the premier deputy ministers associated with our public service in the province of Alberta — and to a constituent of mine who also happens to be a senior official in the department, Mr. Doug Brooks, whose office has been open, a person with empathy who has been prepared to resolve problems that my constituents have brought forward to him.

So all in all, Mr. Minister, I think you've had a very interesting past year. If you can top 1985-86 in terms of all the magnificent performances of the past year, you'll be able to sail out of that portfolio with nothing but bouquets and perhaps a halo above your head. Well done.

DR. BUCK: Mr. Chairman, I'd like to make one or two comments on the resolution that was in the Assembly when we were looking at the 40-mile radius of the flat rate dialing. I'm sure it will be brought up this fall, next spring, or a year from this fall. I'm sure the trial balloon has been flown very successfully. I would like to say to the minister that if I can offer him any advice at all, he could probably solve about 85 percent of his problems if he went to the 40-mile radius. Any politician that can solve 85 percent of the problems is doing a pretty good job. So I'm sure we will see this as one of the planks in the Tory platform. I sincerely say to the minister, Mr. Chairman, that looking

at this extension from 35 miles to a 40-mile radius would solve a lot of those problems.

I would like to bring the minister's attention once again to the Ministik situation. We've been around that for many, many years. As a matter of fact, it's been around since before my time as the MLA for that area. Possibly this would be a great opportunity for the minister to say that he finally solved the problem. To the members of the committee, the problem is basically this: there are people who live 10 miles further from Edmonton who have flat rate direct dialing to the city of Edmonton. People who are 10 miles closer to the city have to pay long-distance calls. Historically, the traffic patterns of the people in that area were towards Tofield, and they belonged to that community. But now that acreages have been established, the patterns are more towards the city of Edmonton. It's quite amazing to me how we sometimes try to correct a problem and it creates a larger problem. Of course, that is illustrated by the situation in Bruderheim which, historically, since the time they had telephones on fence posts, was part of the Fort Saskatchewan exchange. Then when the town of Fort Saskatchewan started to grow quite rapidly, the exchange was overloaded so Bruderheim had a subexchange. Well, that seemed to be sufficient justification for the powers that be in the ivory tower of AGT to say, "Oh no, you're not part of Fort Saskatchewan anymore; you're now Bruderheim as a separate entity." That made the people in that area rather distressed, to say the least. They have always felt they were part of the Fort Saskatchewan exchange, by history and tradition, but suddenly they found themselves having to pay long-distance phone calls. Of course, I know this minister is going to solve that problem, and we're going to give him a great big medal for being the minister that finally made this change possible.

I'm looking forward to the campaign when the election is called, and this is going to be the minister that's finally going to make that change. He will get my support. He will get the support of the people in that area. Of course, I don't know what political advantages there are anymore, because the Social Credit government promised they were going to do something, the Tory government promised they were going to do something, and the people are tired of listening to that b.s. They just want some action, Mr. Minister. We hope to see some results.

Mr. Chairman, I'd like to indicate to the minister that I was up at the proposed power project at Slave Lake last summer. I couldn't go up with the MLAs on that tour, but I took the advantage of being in the north to go and have a look at that site. I guess the thing that's of great interest to me, Mr. Chairman and Mr. Minister, is that the power that would be generated at that site would be going to Fort McMurray, I presume, because people in the southern or central part of the province don't seem to realize that the distance is not that great from where the Slave Lake project would be to take the power across to Fort McMurray. I would like to know, because we've never really been told publicly what would be done with that power if it were to be generated. That's basically the question I would like to know. Is that what the government's understanding was right from day one, that that's where the power would go?

I know the people in Fort Smith are still fairly excited, but it seems their enthusiasm has cooled a little bit in light of the fact that they seem to think that was good propaganda when the election was on. There was going to be a great vision for the north, but now they're just left dangling. I think it would be only fair to those people and the people

of this province to know if that project, the use of that power, is to go ahead. Are we looking at it in this decade, the next decade, or when does the minister see that we will be needing that power? Or does it mean that we have to have two more open pit mining operations in the Fort McMurray area to justify the damming of that river and the generating of power at the Slave Lake site?

One other question I would like to ask the minister has to do with the policy of farmers hooking up to waterlines such as the northeast waterline that goes north from Fort Saskatchewan to Redwater and to Gibbons and east from Fort Saskatchewan right on down the line to Vegreville. Is there a policy in place, and who is it the local people can go to to find out if the farmers within a certain distance can hook up to that pipeline? Just this evening, on my way into the Assembly, a neighbour of mine asked me: "How can we tap into that water pipeline?" I said, "How far away are you?" He said, "About a mile." If there are three or four farmers fairly close together, if they were to do their own line work and so on — digging the trenching and doing it on a sort of co-operative basis — I would like to know if there is any mechanism in place so that procedure of trying to tie onto those lines is available for farmers.

One other thing I would like to bring to the minister's attention is a matter that's been brought to my attention. This is the small phone books with the rural subscribers in them. It seems that at one time Fort Saskatchewan, Bruderheim, and so on are in one area, and then the next thing you blink, and it seems that you're in a different book. I want to know if the areas have finally been shaken down so there is some consistency, so you know which books the rural subscribers are in. When some of the major changes were being made a few years ago, like the Ardrossan area, I know they were really quite upset. Now it seems that everything is working quite well. I'd just like to know what policy there is and how we establish these areas as to who goes into which small phone book.

Mr. Chairman, I'm sure the minister has had an exciting last two years. I'm sure all the Tory backbenchers and frontbenchers had a lot of advice to give the minister on the AGT/Edmonton Telephones debate. Of course, we never hear any of those things in public because we know how much goes on in caucus. What a bunch of nonsense. The members who are elected by the people of this province in their constituency should stand in their places, publicly and in this Assembly, and speak up for the constituents. It's fine to have such control that you can turn the old thumbscrews down and do what you're told to do, but I don't think that's good enough for people that are elected to express their views in this Assembly on behalf of their constituents.

MR. NELSON: Hogwash.

DR. BUCK: Mr. Chairman, I would like to say to the minister that those are a few of the concerns I have. But I am pleased to see that there has been resolution of AGT/Edmonton Telephones. Of course, our mayor is going to make sure that not all the problems are going to be solved. Good for him. It's time to have a chief executive officer of a city who is not married to the Tories. That's a pleasant change. I thought at one time the former mayor, Mr. Purves, was an independent thinker, a good free-enterpriser. But then you get those orange and blue cards, and all of a sudden you just go with the flow. Of course, you know

that you get a good job, and you can't blame a man for getting a \$70,000 job or whatever the job pays. That's probably better than upholstering those vans. So I can't blame Mr. Purves for taking advantage of an opportunity like that. After all, it was an open competition, and he was the man best qualified to take that job. How can you argue with qualifications? [interjections]

When we were asking about all the funds that were paid to Mr. Foster, I presume that Mr. Foster is the former Attorney General, the hon. Member for Red Deer. I'd like to say to the hon. Member for Spirit River-Fairview that I was speaking to a large, very hostile group of farmers at Ponoka one time when we were having cow/calf problems ...

MR. DEPUTY CHAIRMAN: I wonder if the hon. Member for Clover Bar could get back on the subject of telecommunications and utilities.

DR. BUCK: Mr. Chairman, I just want to tell the minister the story about this large bill the REAs have. I said to the farmers: we've had a study, so please don't ask Mr. Foster to conduct another study, because that one cost \$120,000 out of a \$160,000 budget or thereabouts. The man comes high, but he's qualified; he's got an orange and blue card. That's a great qualification.

Mr. Chairman, I'd like to say to the minister that it has been an exciting two years for him. He had social development before, and then he had this hot potato, so the minister is used to getting the flak. But he's a broad-shouldered, pleasant young man, and I wish him well. I am looking forward to some of the responses the minister has. We'll have other little questions for him as the estimates progress.

MR. ZIP: Mr. Chairman, I have a few comments to make on the supply estimates for the Department of Utilities and Telecommunications. The hon. minister must be congratulated on the way he has handled his most difficult department. As a member of the utilities caucus committee I have been given a firsthand opportunity to get to know the hon. minister and the excellent way he has stickhandled some of the most difficult problems this government has faced this year, with a very, very adamant city council in Edmonton and the Edmonton Telephone communications, which is a very delicate problem, as he and we in the Assembly all well know. I was most pleased with the way he and the chairman of the Edmonton caucus, the hon. Member for Edmonton Gold Bar, have shown their talent in concluding this very difficult situation.

Turning to the meetings that have been held with the REAs across the province, some of which I've had an opportunity to participate in, I have also learned a lot, through both him and the chairman of the utilities caucus committee, about this provincewide problem we have in getting power to all Albertans at a reasonable rate and what could be considered an equitable rate. We in Calgary Mountain View are encountering some difficulties with the way our utility rates have gone up. It's not entirely the minister's fault, because a lot of the component in the increase of Calgary utilities has to do with water and sewer rates that have gone up astronomically, far quicker and far more than power rates have gone up in the city.

I have a question for the minister, and I hope he's able to answer it. With respect to demand for power in Alberta, is technology and greater efficiency in electrical equipment

bringing down the growth in demand for power more sharply than has been anticipated and allowed for in the past? I know we've had some very great electric power growth projections that have resulted in the construction of a very substantial amount of new capacity in the province. Is the increasing efficiency in the use of power a factor in the lack of anticipated demand, which is now causing a considerable number of problems for us in terms of capacity that's being brought in and has been brought in at great cost because of the recent inflation that power companies have experienced in the cost of this new capacity and which is now not needed and which has to be amortized in terms of higher power rates? This is something that keeps coming up in my mind in relation to which way our future power bills are going to go and just how we're going to handle that particular problem.

With respect to AGT, I'm very pleased with the service AGT provides and the state of the art type of technology they're able to give to the people of Alberta. The only thing that bothers me with AGT is the very huge debt they seem to have accumulated. Despite the fact that they've made a profit, in relation to the total amount of capital they're working with that profit is simply not acceptable. If it were a private-sector firm it would not be sufficient, and the debt ratio would be too high. Are we going to continue with this type of situation, or are we going to do something about it?

These are the only questions I want to raise. Otherwise it's a very bright situation as far as the handling of this particular department is concerned. Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Would the minister like to respond?

MR. BOGLE: Thank you very much, Mr. Chairman. I'd like first to deal with the question of the Rural Electrification Associations. A number of members in the Assembly have made points and have raised questions about the REAs. The hon. members for Vegreville, Drayton Valley, Spirit River-Fairview, Barrhead, and Calgary Mountain View have all made points about REAs. I'm very excited about the progress that's been made. It's been a long, hard struggle, particularly as those members of the utilities caucus committee are aware — a long struggle from May 14, 1984, when I had the pleasure to announce, on behalf of our government, some major new initiatives to help REAs to assist those farmers who wish to belong to REAs to have a more equitable contract with the investor-owned utility companies. I'm pleased to say that the initiatives that were announced by government were, in fact, agreed to in a memorandum of understanding which was signed on January 31 of this year.

I believe it was the hon. Member for Vegreville who asked very specifically: when we can expect to see an actual contract that will be delivered to the various REAs across the province? It's my understanding from discussions I've had with the chairman of the Rural Electrification Associations as well as senior executives in the two utility companies that the next scheduled meeting is May 23 and that, barring any unforeseen problems, they may be in a position to distribute the new proposed master contract to the Rural Electrification Associations provincewide so that the new contract can be considered by the same. If that does happen, it will be a very major step forward, and of course the 18-member negotiating committee and the two

utility companies will deserve credit from this Assembly for having covered that milestone and achieved that goal and objective.

The hon. Member for Spirit River-Fairview asked some questions about the costs that have been incurred by the 18-member negotiating committee on behalf of the REAs. As the hon. member is aware, and I'm sure the Member for Clover Bar would agree with this, if I can catch his attention for a moment ...

DR. BUCK: I'm looking right at you, Bob. My ears are open.

MR. BOGLE: That's good.

That point is that the 18-member negotiating committee made their own decisions as to the kind of professional help they want in terms of their accountancy and their legal advice. The department has provided assistance of about \$80,000 in direct grants to the association. Also, on the basis of a condition that a majority of the REAs that belong to the Union of REAs would agree, we've agreed to provide to the REAs a loan of up to \$100,000. We know that the process has been costly, and we're doing everything we can to provide some assistance to the same. But I think the key thing to remember in that regard is that we're dealing with autonomous bodies: the REAs themselves, represented by the negotiating committee, and of course the two investor-owned utility companies. The contract does not involve government. It involves those two bodies alone.

The hon. Member for Vegreville went on to raise some questions about the natural gas franchise areas. I think that was a follow-up to a question he raised in this Assembly earlier. I indicated then, and I would give the same response today, that none of the boundaries is written in stone. Obviously, there are boundaries between various co-ops, between a co-op and an investor-owned utility company. But if we find that a customer or a potential customer could be served by the supplier of gas in the neighbouring franchise area, the general answer is yes, boundaries can be changed. It's important to recognize that a number of variables come into play. One of them will be the natural barriers that may be in place; i.e., rivers and streams. Another will be man-made barriers; i.e., railroad tracks, highways, pipelines. We have to look at each case on a specific basis to determine whether or not it's in the best interests of other potential customers who could be served by natural gas in that area, as well as the customer who is obviously looking for the lowest price gas and the lowest hookup cost.

In the same vein, the hon. Member for Spirit River-Fairview asked some questions about the remote area heating allowance and why the figure is down. It's fair to say that the original intent of the remote area heating allowance was to provide assistance to two basic groups of customers: one, senior citizens and those who are handicapped, living in their own homes, who did not wish to hook up to natural gas — it was felt by my predecessor, and I feel just as strongly on this particular point, that those individuals should be exempted from joining a co-op if they do not desire to do so — secondly, those in areas where it was not economically practical to hook up to natural gas. Obviously, with the dollars being invested in the program, with the infill that's taking place, more and more people can switch over from propane or heating oil to natural gas. That's the primary reason we're seeing a reduction in the number of dollars in the remote area heating allowance program.

I might also mention that we've extended from one year to two the period that the review takes place to determine whether or not the applicant should stay in the remote area heating allowance or whether they should be transferred. This year we expect about 3,000 new customers in the natural gas program. I might mention that as of December 31, 1984, we had in excess of 83,000 services. It's the most extensive rural natural gas program that we're aware of any place in the world. There are approximately 49,000 miles of pipeline in the ground, and since the program's inception some 11 years ago, the government has provided \$302 million. So the 3,000 new hookups this year will be added to the 83,000 services that are already in place. As you can see, the program has achieved its objective overall. It is winding down because the basic needs have been met. Those individuals who lie in an area that cannot be economically served will continue to receive a benefit through their remote area heating allowance.

Again in this area, the Member for Barrhead made a couple of comments about rural gas co-ops. I think it's very appropriate if I comment at this time on how much I appreciate the effort that many of you as MLAs have made in working closely with your rural gas co-ops, the REAs, or other services in your communities and constituencies. That certainly helps the department. I know I can speak for Vance MacNichol, the deputy minister, and the other officials from the department in saying that when you as MLAs work with your various groups like the gas co-ops, the REAs, and the town and village councils on the water and sewer programs, that helps bring more valuable information on those programs and their value.

In the same vein the Member for Vegreville made some comments about water and sewer and, in particular, some help that was given. I'd like to say how pleased I am that while we've got a new water and sewer program, that's been in place since July 1983, as a result of the input from the utilities caucus committee, chaired by the hon. Member for Drayton Valley, and others, there's been a determination to keep a really human element in the program. So if we find, as we did in the case of the village of Chipman, that there are some redundant facilities that are no longer necessary because we now have a regional system, we're not going to expect the residents of that community to pay for both. We did provide some assistance to a community like that. In the case of Bruderheim, where the community has gone above the upper limit due to some unexpected costs due to an arbitration settlement on land, we've said that that's not really fair to the people of Bruderheim. We've gone in and provided some extra assistance to them.

Those are just a couple of examples of what we've been trying to do within the framework of the program provincewide, keeping in mind you can only bend your rules so far. But on the other hand, we've tried very hard, and I'm extremely pleased with the work that's been done in the department in recognizing that if there are some very special circumstances being faced by a community or group of people, we look at those.

The hon. Member for Spirit River-Fairview went on to ask about Edmonton and the distribution system, specifically with regard to vote 6 and whether or not there's a reduction in funds. It might be helpful if I went through the various elements of vote 6 for the hon. member. The vote can be divided into what we normally call the municipal water supply and sewage treatment grant program. The budget for 1985-86 is \$40.1 million; last year it was \$40 million. So there is virtually no change in that particular element.

Moving on to the regional utility program, this is the program where we've helped put in regional systems: the regional sewage system around Edmonton; the Vegreville waterline is an example. I can think of the new waterline being built in my own constituency to serve the village of Barnwell and the town of Taber — systems like that. There's been a reduction in that vote. This year the amount will be \$30,700,000; last year it was \$34.1 million.

The northern supplementary fund is a special cost-sharing arrangement with the federal government. I've worked very closely with my colleague the hon. Member for Peace River, who assisted us greatly. The budget for this program, which is cost-shared, as I've indicated, has been reduced from \$5.3 million to \$3.3 million in the current fiscal year.

Then there's the phosphorus removal grant program, which was a one-time grant provided when the Department of Environment still had the overall responsibilities. From the total commitment of some \$18 million, we're down to the last \$250,000. Dave Shillabeer from the department confirms for me that this is it. We won't be providing any more funding under the phosphorus removal program.

That's a quick breakdown of the various parts of the vote. I think it's important to share with the hon. Member for Spirit River-Fairview that distribution systems, whether in a city like Edmonton, a town like Two Hills, or a village like Coutts, are the responsibility of the local municipality, and it is deemed that the local municipality can provide the necessary funding for its own distribution system, either through its own general revenue or through a frontage tax. This has been done in a number of communities that have experienced the same problem the hon. member has alluded to, where there's a necessity to replace the old cast-iron pipe, and they've gone ahead and done that. The municipal water and sewage grant program does not extend to the distribution system itself. It covers the various elements of whether it's getting the water from a primary source, treating the water and bringing it up to the distribution system, or taking the sewage affluent from the distribution system out to the sewage treatment plant and dealing with it at that point.

I thought the hon. Member for Barrhead made a very good point when he mentioned that one of the key elements in our water and sewer programs is quality of life. I certainly agree with that. As a government we tried very hard to ensure, through our decentralization policies, that there's an opportunity for communities across this province to benefit in the growth, and that's occurred. In my view, one of the primary reasons that has occurred is the funding that was initiated through the Department of the Environment, transferred in November 1982, where we can assist communities, whether they're large or small, in improving their water treatment and sewage treatment facilities. That's been a great help, and we heard the hon. member mention the impact it has on the largest community in his constituency.

Again, the Member for Clover Bar asked who a person goes to if they'd like to hook up to a regional waterline. That decision solely rests with the regional water board. If it's an example like the new Hanna line that's being built, and that's a project cost-shared with PFRA from the federal government, there's an automatic provision in the contract that farmers be given the right to tie in to the line. That requirement is not built into our agreements, but it is something that's being considered. Obviously, if you've got a line running from a source of water to a community or a group of communities and you can service farmers along

the way, that makes good sense. We've encouraged communities to look at it. We've indicated that it's in everybody's best interests that they work together. But in the case of the hon. member's specific question, he should contact the Vegreville water board for that information.

Moving on to Slave River, there were a number of questions and comments raised by the Leader of the Opposition, the Member for Edmonton Norwood and the Member for Spirit River-Fairview and the Member for Camrose. I think the most specific one was: when can we expect to hear something as to the project? All members of the Assembly are aware that there are three participants in the studies: the two investor-owned utility companies, TransAlta Utilities and Alberta Power, and the Department of Utilities and Telecommunications. I fully expect that we'll be in a position by midsummer to signal whether or not the studies are going to proceed on the project.

The co-ordinator of the Slave River project has made arrangements to go to Fort Smith. He'll be meeting with the town council and the Chamber of Commerce. We appreciate the anxiety, and I'm sure the hon. member who raised the question well knows that the economic circumstances changed from the time this project was announced until today. It would be folly to rush ahead and invest money without being assured that we're on the right path. One of the advantages of working with the two investor-owned utility companies is that we believe that in protecting their interests, as they're very prudent investors in projects like this, they're protecting our interests. But we are attempting to move ahead and make some very important decisions on the state of the various studies. As I've said, by midsummer I expect to be in a position to comment further.

The hon. Member for Clover Bar further asked about the electricity and how much of it would be used in communities like Fort McMurray. To try to put it in perspective, the maximum capacity of the project is about 1,800 megawatts of electricity. The total capacity of the Alberta integrated system — all our coal-fired plants, gas-fired plants, and our existing hydro plants — is about 5,500 megawatts. So you can see the magnitude of Slave River. It is a monstrous project relative to our system. The point was made by the hon. Member for Camrose when he spoke of the export potential. We have to look at the export potential in both the northwest U.S. and the California markets. Those factors have been examined in a preliminary way. There's a lot of work that needs to be done yet. Certainly, Fort McMurray would benefit. I can recall being with members of the utilities caucus committee in Fort Chipewyan. We made a commitment in that community as well that if the major power lines were going right by the community, we'd ensure that the cost of power in Fort Chip would be brought down. They should be benefitting from that project, just as other Albertans would be.

The Member for Edmonton Norwood asked about the western power grid and where it is. The member will recall that approximately a year ago I indicated there would be a further two-year moratorium on any discussions with Manitoba. Therefore, I expect there may be discussions sometime next summer. Again, it's going to depend in part on the economics in both Alberta and Manitoba at that particular time.

The Member for Spirit River-Fairview asked about Dunvegan. It may be that the hon. member is not aware, but I tabled in the Assembly just over a year ago the Dunvegan Hydroelectric Study, Low Level Reservoir, Phase IIA. It was a report prepared for the Electric Utility Planning

Council by Acres-Monenco. I believe that report will give the hon. member answers to the questions he has asked. They also relate to the hon. Member for Camrose, and I think the hon. member was indicating that while a high head dam, the most economical dam from our point of view, would probably not receive permission from British Columbia as it would back water up right to the Hudson's Hope dam, the intermediate head dam would still allow British Columbia to proceed with a site 6 dam. But the key thing is that we would obviously need the co-operation of the province of British Columbia to proceed with that project.

If I could move on, the hon. Member for Edmonton Norwood asked about the Genesee project and where it is. We're all anxiously awaiting the report by the Energy Resources Conservation Board. Once that report is given to us and made public, it will go directly to cabinet. I hope we as a cabinet are in a position to make a decision quickly on Genesee and on Sheerness and on the recommendations of the ERCB. It's a very important issue for Edmonton. It's an important issue for the entire province, when we look at the key factors of the cost of electricity in our province, the key factors of our capacity to produce electricity to meet our own needs. The hon. member will recall that when the decision was made by cabinet a year ago, we indicated that the companies, Edmonton Power, Alberta Power, and TransAlta — and the latter two are the owners of the Sheerness project — had the opportunity to proceed at their own discretion and at their own risk. We also urged the companies to look at the potential — back to the hon. Member for Camrose's position — look at the potential of export power, to see if there was some way that that could be worked in.

The hon. Member for Calgary Mountain View made some very good comments on the high cost of electricity and new plants coming on stream and what this means to our overall consumption patterns in the province. He's on a very important point. One of our major challenges is to ensure that we remain competitive. To do that, we have to look at the cost of producing electricity by our sister provinces, most of which rely primarily on hydro. So it's a very important point.

I think there was a question the hon. member raised as to whether or not new technologies have reduced the rate of growth in our demand. While it's true that there are many new devices, ranging from stoves and refrigerators, that are energy savers, it appears that the demand, the consumption of the average household continues to go up significantly. Because of all the appliances that are being used in the home, the demand continues to go up even though there are new energy saving devices that are being put in place.

Getting around to one of my favourite subjects, Alberta Government Telephones/Edmonton Telephones, questions were raised in this regard by the hon. Leader of the Opposition, the Member for Drayton Valley, and a number of others. Last Friday, as the hon. members are aware, I introduced in this Assembly Bill 70, the Telecommunication Statutes Amendment Act. That Bill will do two things. It will remove the prohibition that currently is in the AGT-Edmonton Telephones Act for Edmonton Telephones to receive revenues from long-distance toll. It also removes the provision which indicates that AGT has to carry the load in rural Alberta by itself. To put it in another way: both telephone companies accept the obligation, under the amendments that have been proposed, to cross-subsidize the

parts of the system that do not break even, and both companies accept the premise that they're going to share toll revenue. That's a key provision. The other key provision, of course, is the establishment of the special telecommunications tribunal under the Public Utilities Board, so that all future disputes between the two companies are settled in the regulatory field rather than in the political arena.

The hon. member asked about the process on the arbitration committee. It's the arbitration committee that will determine what a fair share — first of all, they will either develop or select a formula to be used, and then apply that formula for the first three months of 1985. In the agreement there is a 30-day period from the time the agreement is reached until both the city and the province must nominate their respective members — I think we have 11 or 12 days left. I know we're moving to finalize our position, and I'm assuming the city is doing the same. Once the two members have been selected, I believe there is a further 30-day period when they must attempt to select a chairman. Failure to do so will see the matter dealt with by the provincial Ombudsman. So the system is moving along quite well from my point of view.

On the operator intercept program, the question was asked of how many positions were abolished because of the program. I guess the easiest way to address that would be to say that from the most recent information I have, about 78 positions have disappeared as a result of the operator intercept program no longer being necessary.

The hon. member went on to the question of the toll switch and why the minister would have raised the matter in light of the harmony that seemed to have developed in terms of reaching a settlement in the areas. We as a government have tried for some considerable period of time — I know it's contained in at least four letters, the first of which was July 12, 1984, I believe — to indicate to Edmonton city council that the mandates of the two telephone companies are prescribed in provincial legislation. You'll note that that acknowledgment is part of the agreement; it's been agreed to by both the city and the province. The mandates of the two telephone companies are prescribed right here, in this Assembly.

I think it's important that we look at the historical, traditional mandates of both Alberta Government Telephones and Edmonton Telephones — what they've done historically. Historically, Edmonton Telephones has provided local exchange services in the city of Edmonton. AGT provides that service in all other parts of the province, and AGT provides all long-distance services in Alberta. The head office for AGT is located in Edmonton, as is the toll building which serves Edmonton and most of northern Alberta. Those are services that are here because AGT has business here. Approximately 4,000 jobs are associated with the head office and the ancillary facilities of AGT in the city. We believe strongly that the Alberta telephone network, comprised of AGT and ET, is an integrated system, and the network must be operated in an integrated manner to ensure quality and service at reasonable costs for all Albertans. Within the Alberta network, ET and AGT have the right to coexist as separate companies.

The hon. member will recall that one of the primary thrusts of the ad campaign launched by the city in January 1984 was to convince Edmontonians that Edmonton Telephones should stay a separate company, that it should not be absorbed by AGT. We didn't argue with that. At the same time, we indicated that while we're prepared to enshrine the right of Edmonton Telephones to continue to provide

the services it historically has, to now have a suggestion that Edmonton would like to get into the long-distance telephone business and provide toll services, which in essence would be a raid on AGT's territory, is just totally unacceptable. That would materially weaken Alberta Government Telephones. It would significantly weaken its position in terms of providing all long-distance services in the province.

We should not be confused by what's happening in the United States — the breakup of AT&T. We should not be confused by what's happening in the three provinces that are regulated by the CRTC, the federal regulatory authority. We should remember that in seven of the 10 provinces, the regulator is the provincial regulatory body. In Alberta that's the Public Utilities Board. The mandates of those two telephone companies are prescribed in provincial legislation. We've said that, from our view, from our interpretation, the interpretation of our legal officials, the Acts are clear. Laws are made here; they're not made in the courts. If there's any misunderstanding about our intent, if there's an attempt by Edmonton to use a toll switch or any other device that would bypass AGT's system in its territory, then the Attorney General would file a court injunction. If we were to lose that court injunction, we would amend the legislation. We're no more prepared to allow Edmonton Telephones to carve out a new piece of territory that has traditionally been part of AGT's territory than we're prepared to allow AGT to gobble up part of Edmonton Telephone's territory. Both companies must be respected in terms of their own jurisdiction, their own territory.

The Member for Drayton Valley asked about the Telephone Pioneers of America. I'd like to take a moment, Mr. Chairman, to share with the Assembly a really exciting experience I had last Thursday, when I brought greetings on behalf of the government of Alberta to the 10 Canadian chapters of the Telephone Pioneers of America. There are approximately 2,900 members in Alberta. They are long-serving employees and retired employees from AGT, Edmonton Telephones, and Northern Telecom. Their primary purpose is to get together to share a lot of stories on good times over many years of service together. That's the human interchange between the various members and their spouses, but there's a very important contribution that the Telephone Pioneers of America are making. I challenged them at their meeting. I said it's one of the best kept secrets, because in my last portfolio, Social Services and Community Health, I had no idea that we had a group of volunteers out there providing services to the handicapped, like the Telephone Pioneers of America are.

There were exhibits in the hall next to the meeting room, and in the exhibits you could see some of the work being done by retired engineers in the company, some of the devices they've made for the hearing impaired, some of the other apparatuses for people in wheelchairs. Right now the key emphasis by some of the spouses is to provide blankets, quilts, stuffed toys and other toys for the two Ronald McDonald houses in Alberta, the recently opened house in Calgary and the house that's under construction here in Edmonton. So there's a lot of work going on behind the scenes by dedicated men and women, and their works are not really being recognized or well known. So I wanted to share that story with members of the Assembly: 2,900 men and women, Albertans, out there doing their own thing and not asking for a lot of accolades; just taking pleasure in knowing they're helping to make somebody else's life a little more pleasant. I felt really positive about that experience.

Individual line service: a favourite topic of the hon. members for Drayton Valley, Clover Bar, Spirit River-Fairview and, I believe, others. When the hon. Member for Spirit River-Fairview made reference to motion 210 and the debate that occurred, and the comments by the hon. Member for Stony Plain and myself, I think it's important to go back and focus on the thrust of my comments. My comments were directed at the cost. While I don't have a copy of *Hansard* in front of me, I distinctly remember the hon. member indicating that the service should be provided and that there should not be an extra cost to telephone subscribers for the service. My comment was: somebody has to pay the cost of the service. It's got to be absorbed from some facet.

I'm advised that if we were to provide every rural Albertan today with an individual line telephone, notwithstanding the fact that there are some lines in the ground today, literally tens of thousands of new lines would have to be installed. The cost in today's dollars, even if through our manpower and a technical point of view we could do it all in one year, would be close to \$400 million. We're working very hard in AGT, as are other telephone companies, to find a new breakthrough, a way to provide the service at a lower cost. There are some possibilities that are being looked at. Some of them suggested the cellular mobile radio concept. In any event, we know that it's a challenge, as do our sister telephone companies providing party line service. It's a challenge we're trying to face. We also know that there's a very significant cost associated with it, and we're trying to find a way to do it that doesn't load on the cost both to the customer and to the telephone company.

I'm excited about Motion 210, as others are. I think it's important, when the hon. Member for Clover Bar mentioned Ministik and how the people in that area will view this that he should also be cognizant of the fact that it was the hon. Member for Stony Plain who, with a group of residents from Alberta Beach I believe, sat down and worked on the issue and said: is there a way we can tackle this? We can look at it in terms of joint participation, where the telephone subscriber would provide some of the capital cost, the telephone company would bear part of the cost, and the government would be asked to contribute part of the cost. I think it's important for members in the Assembly to recognize that while governments traditionally have invested hundreds of millions of dollars to help rural Albertans obtain electricity and natural gas, we've allowed the responsibility for providing basic telephone service entirely to the telephone company, and the full costs associated with the same. So those are important points.

The Member for Spirit River-Fairview mentioned the possible use of fibre optics. The cost of fibre optics, even though it's come down very significantly over the last few years, is still such that it's not practical in your more sparsely populated rural areas. That's something we'll have to keep working at.

I'm really pleased that the hon. Member for Cypress raised a question in the House last year about individual line service and when property changes hands, and whether or not the individual purchasing the property can keep that telephone and assume that it's part of the asset, just as the power coming in or the natural gas or some other source. I went back and worked with AGT and I'm pleased to say — and I've communicated this to the hon. member privately — that that is now part of AGT's policy. When the property is sold, one of the assets that goes with the property is the

telephone. You don't have to go in and register within six months or lose that service. Again, the hon. Member for Cypress was the first to bring that to my attention.

The hon. Member for Spirit River-Fairview mentioned renewable electricity. I think he was referring to the Ernie Sinnott pilot project down at Pincher Creek. The Energy Resources Conservation Board have a very exciting five-year pilot project where Mr. Sinnott, who is generating electricity with a large wind charger, has the right to transfer his excess electricity to TransAlta. It is metered and recorded. When his system does not produce electricity that he needs for his own plant or buildings, then he draws back from TransAlta. No price has been set yet, but it's part of an experiment to determine a fair price and a fair system. So new ground is being broken in this whole area. It's an exciting area. I see a lot of potential. I'm looking at the irrigation farmer, the farmer in general, and others living on small acreages. There are even possibilities for communities with recreation facilities. As I've indicated, there's new ground being broken.

The hon. member asked other questions about research and development. There is a research and development component in Energy and Natural Resources for renewable energy sources.

The Electric Energy Marketing Agency was raised by several members of the Assembly: the Member for Calgary McCall and the Member for Spirit River-Fairview. I think it's important that the hon. Member for Spirit River-Fairview — it may just have been a slip of the tongue, but I believe the member indicated that he understood that the residential farm component paid the highest price for electricity. That's not so. The residential farmer pays below the cost of producing the electricity. The highest price by far is paid by the commercial grouping of customers. The lowest price is the large industrial, where they're using very large amounts of electricity. So if you were looking at the three customer groupings, you'd find the residential farm in the middle, between the highest cost to the commercial service category and the lowest cost to the very large industrial users who consume massive quantities and are taking the electricity off very high voltage lines.

We believe the concept of the program is working. The amendments to the legislation passed last fall, both Bills 78 and 79, the Electric Energy Marketing Amendment Act, 1984, and the Public Utilities Board Amendment Act, 1984, are working through the system now, allowing the Public Utilities Board to set new rates. The hon. Member for Calgary McCall is quite correct when he indicates that this is a case where customers in Calgary are cross-subsidizing customers in other parts of the province, particularly the areas served by Alberta Power and Edmonton Power, and now, because of the combination of rural and urban customers, a farming community in the TransAlta area, just as the hon. Member for Drayton Valley, where I believe 23 percent of all the sweet crude oil in the province is produced — the revenues from that oil are shared with all Albertans. That's part of being in Alberta. We don't have city-states within our province and, God willing, we never will. There are certain resources that have to be shared on a provincewide basis. I feel very strongly about that, and I think it's a good thing.

The hon. Member for Calgary McCall is probably aware, from looking at vote 7 of our estimates, electric energy marketing, that we have the same dollars in this year's vote as we had in last year's. In other words, the commitment goes to September 1, 1986. As the hon. member knows,

we deal on a fiscal year basis. When the Provincial Treasurer announced his budget, his commitment goes through to the end of the fiscal year, but we make our commitments here on the Electric Energy Marketing Agency year, which is September 1 through August 31 of the following year. So we now have the commitment in terms of shielding the residents of Calgary and, for that matter, the residents of Taber in my constituency, until August 31, 1986. Caucus will have to make a decision on what that decision should be beyond September 1, 1986. As I said, that's contained in vote 7.

The Member for Calgary McCall raised some interesting points about Altel Data and NovAtel. The three competitive divisions of AGT — Altel Data, Mobile Communications, and Business Communications — generated a total profit of \$30.5 million to AGT in the 1983 year. When the hon. member asks when we will sell off these assets, operating the way we do that will be a caucus decision. My responsibility, as long as I stand here as the minister responsible for AGT, will be to say to hon. members of our caucus: if we're prepared to see our telephone rates go up, then that's fine. That's a decision we should make with our eyes open. If we don't feel we need that \$30.5 million — and we'll have to weigh that factor against some other factors. But remember, each year that we carve off more of AGT from the monopoly and push it into the competitive side, we're more vulnerable to those kinds of concerns. So one of the things we'll have to address — and I'm not making a case; I'm just stating a fact — is that as long as we're prepared to accept the fact that we'll need to generate more revenues from, I presume, the monthly charge that individuals pay for their telephone service, then we can afford to say that we shouldn't be in businesses like Altel Data, Mobile Communications, and Business Communications.

On the other hand, I've always viewed NovAtel as a pretty exciting joint venture with Nova, an Alberta Corporation, where we're working with a private-sector company. The hon. member mentioned the Montreal plant. I'm sure he's aware that when AGT bought the original system, the only plant was in Montreal. The head office was moved to Alberta immediately. The research and development component, along with the head office, is now located in the city of Calgary, and the major plant is in the city of Lethbridge. In all likelihood the Montreal plant will be phased out. But it's important to keep in perspective the fact that the Montreal plant was one of the first plants and was certainly in existence long before the research and development component, the head office, and the manufacturing plants were located in this province. But I am pleased with the work we've been able to do with the private-sector partner and NovAtel.

I have a couple of more points, Mr. Chairman. Then I believe I will have answered the questions that have been raised.

The hon. Member for Barrhead commented on the AGT profits for 1984. You're damned right: I'm mighty proud of the work that's been done by the commission and staff at AGT. I recall my first board meeting in December 1982, when I was advised we were going to have a \$60 million loss for the year. We've been working hard ever since to reduce our capital budget and to reduce the staff. As members in this Assembly know, to date the staff has been reduced about 1,950 from what it was in the summer of 1982. The rates were increased; that is correct. They're still the third lowest in Canada. The rates were increased, and we now have turned a \$56 million loss in 1982, a \$23 million loss

in 1983 — in 1984, even with the extra expenditure and loss of revenue of about \$8.2 million due to the dispute with Edmonton Telephones, we still come into the black by about \$11.1 million. That's a credit to the leadership at the commission and the staff in following the government policy in turning that company around.

The hon. Member for Clover Bar asked about small telephone books and how decisions are made as to whether communities will be in one book or another. Based on input I've received, particularly from members of the utilities caucus committee, I've tried to ensure that AGT is sensitive to trading patterns and to the needs of communities and residents who live in particular areas so there is some rationale that goes into the process, other than just the size of the book. I'd welcome any other comments that members have in terms of monitoring that process.

I'd like to conclude with comments made by the hon. Member for Calgary Mountain View because, while I'm extremely pleased with the fact that AGT is back in the black, the member is dead on when he talks about the debt/equity ratio in the corporation. It's not a healthy situation. It's one that's got to be addressed over a period of time, and the corporation is now looking at improving that position. If we want to truly get AGT back into a really healthy and significant growth position, then the debt/equity ratio certainly has to be adjusted.

I believe I've answered the questions, Mr. Chairman. If I've missed any of the members, they might restate their point.

MR. FISCHER: Mr. Chairman, I too would like to commend the minister and his department for a good job they've done this year. I know they've gone through some pretty difficult times. I would like to thank them for their co-operation in working out some of the problems we've had.

Over the past year or two these municipal water and sewer programs have been extremely beneficial in our area, and they're very much appreciated. Quite often a number of our senior citizens move into the hamlets and small towns, and it's nice to see that this program makes their life just a little more pleasant. A number of the citizens have mentioned to me how happy they are about it and what a good program this is for our government.

I would like to ask one question, and it has to do with our mobile Aurora telephones. In our Wainwright constituency the range is very limited. I wonder if there are any plans in the near future to expand or to fill in the satellite stations, or whatever you call them, so that there are no blank spots on your phone and it can be used all the way through. Of course, the Aurora phone is very popular with our oil industry in that area. This is one concern they have.

I would also like to thank the minister for the way we solved the problems I had with the Provost Packers and the sewage system. It certainly was pretty nice at a time when we were having problems with Provost's biggest industry.

I would also like to say that I was very, very pleased to become a honorary member of your utilities committee. I enjoyed the trip to the proposed Slave River dam, which we went on a year and a half or two years ago. It was a learning trip for us, and we got to know part of the staff very well at the same time. I just thought that maybe our deputy minister could brush up on his bridge just a little more. Other than that, I thought it was excellent. Thank you.

MR. MARTIN: Mr. Chairman, I have a few other things flowing from the minister's comments, and one new area that I'd like to bring up as a result of the minister's comments.

To come back to the Slave River dam to begin with, I gather you thought the financial feasibility study would be ready by midsummer. I was asking about some other areas, because the other part of it is the environmental stability. I had asked that earlier. Are any other studies being initiated with regard to the dam, specifically environmentally related studies?

The minister said that there's a two-year moratorium on discussions about the western Canadian power grid. It seems to me that all these decisions are somewhat tied together in terms of power. This feasibility study would be done by the middle of summer. Is that feasibility study looking at the alternative of the western Canadian power grid as a possibility, or is it just a study specifically on the Slave River dam? I believe the minister said that in another year there is the possibility of discussions with the Manitoba government. It seems to me that all these things fit together in a jigsaw puzzle, if you like, and one is related to the other. I ask for the minister's comments on the feasibility study. Are they looking at the feasibility of what would happen with the western Canadian power grid?

The minister talked about cabinet going back as soon as they had the ERCB report. He didn't give us an idea when that might be, though. Do you have a rough ballpark figure of when we can expect the ERCB report to be made to cabinet?

The other area has to do with toll switching. I guess, Mr. Chairman, it depends on how we look. I appreciate the minister's comments about city-states. I would tend to agree with him. Perhaps Edmonton Tel would not be so anxious to get into their own toll-switching equipment if they felt they had enough money coming to do the things we are talking about — probably sewers and all the rest of it. We see one level of government sitting there relatively wealthy, at least as people perceive it, with \$14 billion in the trust fund, and many of the other municipalities are scrambling to do just the necessary things. That's perhaps the frustration. I recognize that they haven't had this historically. That's not to say that things can't be changed. I think the minister is well aware that just because things were there for 50, 40, or 30 years, it doesn't mean new arrangements can't be made.

The minister made his position rather clear, but I wonder how much money we're looking at if Edmonton did have toll-switching equipment. How much money does AGT feel they would lose from this? I guess the answer is, if the city is trying to raise money to do some of the things we've been talking about — municipal governments are finding it very difficult. In talking to Edmonton aldermen, they're finding it very difficult at this particular time, because restraint has not affected just this government. The provincial government has been able to bounce with it much easier than municipal governments. The point I'm making, Mr. Chairman, is that the city of Edmonton is looking for ways that they can raise needed money to do some of the capital projects they need. Perhaps that's part of the problem.

I guess the other thing is — it's always ironic. If toll switching came in, I don't see that it would necessarily be the end of AGT. I've asked about the amount of money we're looking at. I'd be interested in that. It seems to me that, often, the government goes against its philosophy somewhat, the idea of competition being good for the heart.

Perhaps there is a way. I'm not totally sold. Let me be fair to the minister. I think he may have a point about toll switching, but I also know the pressure that is on municipal governments, specifically the city of Edmonton. I've talked to people, and they're looking for ways to increase money because they have major projects they want to go on to.

AN HON. MEMBER: Sell ET.

MR. MARTIN: Sell ET. It's a member from Edmonton saying that. That'll be popular out there. The point I was trying to make, Mr. Chairman, is simply this. If you talk to Edmontonians, and you had better take a look at their hon. member. The whole point is that the way they look at it, as I said before, is a bit like their heritage trust fund. It's been historically there, before AGT, and it has been an attempt to raise money for needed city projects.

I make those comments because I think that may be part of the problems. As I said before, we are glad there has been an agreement in the other area. The only other thing I'd like to know is, from that agreement — the minister says it's going along. I think there were 11 or 12 days, and the government would have their representative and the city would have theirs, and in another 30 days they would attempt to get a chairperson, but if not, they would refer it to the Ombudsman. It makes good sense. It's a logical process, but one of the things I might ask is: is there a rough idea, after we get through that process, which is a needed one, what sort of time we're looking at before this arbitration board might come back with some sort of settlement? What time frames are we looking at in that area?

One other thing while I'm up. I'm interested in the minister's comments. We're glad AGT has made some money this year, but I would like the minister to update us. He has received petitions from workers at AGT — I think he's seen them; they were addressed to him — who believe that the company is not bargaining in good faith. I recognize that maybe the company feels differently. Could the minister update us? I believe that some workers have gone almost two years without a contract, and then there are some other workers ... These are petitions that I have, and they say "cc" to the Premier; the Minister of Utilities and Telecommunications; Bob Elliott, MLA; Harry Hobbs, chairman of the commission; Hal Neldner, president of AGT; and Dale Ashton, business manager of local 348 IBEW. If the minister hasn't seen them all, this particular petition says:

Whereas the A.G.T. traffic agreement expired on December 24, 1983 and whereas the AGT plant agreement expired on January 1, 1985 and whereas it appears that there is no serious intent on behalf of A.G.T. to settle these agreements, we the undersigned strongly urge that all parties concerned in these disputes meet and take action in all haste to arrive at fair settlements of the expired collective agreements.

The employees of A.G.T. have endeavoured to provide the best service possible to the company and the customer during the recent financial and political crisis.

We now ask the same consideration be afforded to us. I thought the minister had this and was aware of it.

I guess what I'm asking from there is if the minister can update us on where that stands. Two years for some workers is a long time. It's not healthy when we have contracts that ended back on December 24, 1983, and still no settlement. January 1, 1985, is not as bad, but still bad

enough. So if he could update us as to where the negotiations stand at this time, as he is aware of them.

MR. STROMBERG: As the minister made comment about the pioneer club, I'd just like to point out that the pioneer club was instrumental, and has been for the last two years, in setting up AGT employees in both Camrose and Wetaskiwin for the MS drive last Saturday, and they did just a tremendous job.

MR. GURNETT: Mr. Chairman, I want to briefly follow up a couple of things the minister provided information on. One of them is the single-line business with AGT. I know that when the minister reads the debate on April 30, he will see it. Basically, what I indicated at that time was that people should have access to single-line service without any significant additional cost. I know that we and anybody else that's now on a party line would be willing to see their monthly payment for telephone service go up a few dollars to have that privilege. My concern was with the thousands of dollars that a person currently has to pay. I wonder if the minister could indicate whether he knows what amount of rural Alberta could receive single-line service immediately. As I indicated on April 30, certainly where I live, it's apparently possible to have single-line services without any additional lines, since we got it in that way.

I wonder how many people or what percentage of the rural service in this province could be accommodated now. Obviously, it would be somewhat unfair, but if we're going to wait until all of rural Alberta can have single-line service before any of it gets it, it seems unfair in another sense, as well. I would be interested in that.

I'd also be interested in whether the minister would be willing to indicate some kind of agreement in principle that all people in rural Alberta should have access to single-line service the same way that people in settled areas, in towns and cities, have, and if it's at least agreed by the government that that service should be available, whether or not there would be any willingness to enter into developing an actual time line that said, "We'll do this much this year and this much the following year," and a decision about just what kind of modest fee increase for telephone service people would have to look at.

In other words, Mr. Chairman, I'm asking some questions of the minister that relate to our moving beyond a kind of general agreement that it's too bad that many of us still have to have four parties sharing a line, to a place where although we agree it may not be possible for all of us to have it next year, we at least are committed to a specific process of delivering that kind of service to rural Albertans. I go on about that a bit. I guess the battle has been carried by other members here over years past, and I certainly think it's something that needs to continue to be looked at in a serious way, based on the fact that this is really a necessity and a right rather than something that should be seen as a nice convenience if it happens to work out some time. I look forward to chances in the future to pursue that with the minister.

I feel somewhat the same, too, in commenting on the one other area I want to raise again; that is, the whole area of encouragement for renewable energy types of electricity generation in this province. I'm glad the minister is excited about the possibilities it has, and I am too. But it's another of these things that must be looked at. I think it's inevitable that we produce electricity in significant quantities through these kinds of renewable energy means, before too

many more decades go by. I'm concerned that if all we are is excited and permit a single experiment to go on rather than taking a real leadership role in this area, we in Alberta are going to end up importing technology again instead of becoming a leader and a job creator and a recognized centre for technologies in these kind of areas, much like, I understand, we're increasingly becoming in some areas of telecommunications technology. We'll be a customer for other countries or other areas of this country that have done the work to develop the technology before the crunch comes. That's why I'd like to hear that the enthusiasm about it is translated into practical steps and programs to continue to move ahead with the process.

The one other and somewhat more practical area I'd appreciate the minister's comments on relates to some of the complaints that come in about what people are paying for utilities. Obviously, there are always going to be people that feel they're paying too much, but I wonder about the process. It seems that with groups like ICG there's somewhat of a monopoly situation in a lot of rural Alberta. These companies can apply to the Public Utilities Board. In ICG's case, for example, they received a rate increase last October of 3 or 4 percent and again in January, I believe, another increase in that range. Another example, from Calgary: I understand that the Canadian Western Natural Gas Company is asking for a 47 percent increase for the minimum billings. I wonder about that whole issue of people paying a flat rate regardless of how much gas they're actually using.

In connection with that whole area of utilities rate increases, it's good to hear that there will be public hearings later this month in connection with the applications by Alberta Power for rate increases. I think that's a good route to go to give people the opportunity to indicate how they feel about whether or not these utility companies should be guaranteed the kinds of rates of return that they are. I wonder whether the minister is considering looking at a round of public hearings in this province that would particularly address whether or not people think it's an appropriate time to look at public power in the province and whether or not it's time to see that as a basic service that is one of those areas where the government should be involved instead of a utilities board that's guaranteeing profits to private monopolies, to look at probably lower costs and power being something that's in the hands of the province. I don't know whether that's something that's being thought about. But I wonder if there's any consideration being given to the value of communicating to people the difference, in both cost and in other ways, between public power and the current situation with private monopolies, and whether there's any consideration being given to setting up hearings so that people could provide input on that once they understood the benefits and the problems with both approaches to the provision of power in the province.

Thank you, Mr. Chairman.

MR. BOGLE: Mr. Chairman, I'll try to answer the questions that have been raised. The hon. Member for Wainwright asked about the new Aurora mobile telephone system. It's true; the infill is taking place around the province so that in the very near future we'll be able to use the Aurora all across the province. As the hon. member pointed out, the oil and gas industry is the major user of mobile telephones. In fact, Alberta has over half of all the mobile telephones registered in Canada, and it's primarily because of that industry. AGT is working very hard to ensure that service is — in fact, the Lethbridge-Medicine Hat area just came

on stream within the last few days in terms of coming under the Aurora.

The Leader of the Opposition asked about the environmental studies on the Slave River. I meant to indicate that when the decision is made in midsummer, that of course will impact upon not only financial studies but the environmental studies and other studies that will obviously need to be made in any preinvestment decision by the companies involved.

There are no studies at this time on the western Canada power grid. Those studies were, in fact, completed several years past. We were down to the position in the summer of 1982 where a decision was made not to proceed, and that decision was reinforced this past summer, as I indicated.

We do expect the ERCB report within a matter of weeks. I can't comment more specifically than that at this point in time, but we do expect to see it.

The whole question of the toll switch, of cross-subsidization, the franchise tax, the revenue tax, the rate of return, and competition on telephones, is one that I think we can get into in some detail when we get into the Bill that will be coming before the House. I will be pleased to get into it. I've outlined our overall position. I think it's important to recognize the historical traditional roles of the companies, and I think the hon. member recognizes that as well.

He's asking about new sources of revenue. Of course, there are some exciting things that both companies can look at in terms of competition.

On the arbitration committee: it's stated in the report, which was agreed to by both the city and the province, that once the committee is formed it must report its findings within six months. Hopefully it will be sooner rather than later, but it will be within that period of time.

With regard to the negotiations between AGT and its employees, as the hon. member is aware, there are three bargaining units in AGT. There are approximately 11,000 employees. It certainly is not my intention, as the minister responsible, to become involved in negotiations. I will say that it's my understanding that within the last few days a settlement was reached with the operators. They're the group who had the outstanding contract going back to December 24, 1983. The craft employees, who have been without a contract since January of this year, are negotiating at the present time. Those are management decisions to be dealt with by the management, with the approval and advice of the commission. That's the way we operate in terms of AGT being at arm's length from government.

The hon. Member for Spirit River-Fairview very correctly points out that I have not accurately reflected his statement contained in *Hansard* on April 30. For that I apologize. He used the word "significantly" in his remarks, and it was very appropriate for him to bring that to my attention this evening. So we all recognize that there is an added cost and that someone has to pay that cost.

I think the hardest thing I have to explain to my constituents, and I assume the same is true of the hon. member, is that if someone wants a new telephone service and they watch an AGT truck come out and someone gets out and flips a couple of switches in the box and suddenly they've got the new service, they say, "Well, there must have been a dead line in the ground all the time." A common practice used by AGT and all telephone companies is that if, as an example, three new services are required, they'll put in the three services and, say, seven dead lines, so that the next time a service is required, they're not

plowing the ground up and digging in another service. So at any given time there are what are commonly referred to as dead lines in the ground. I can't give you a precise figure as to how many dead lines we have in the ground, keeping in mind that those lines can be used either for multiparty service or individual line service. There's certain flexibility.

I can only restate my desire. If the hon. member can shed some information and light on the situation that I don't have at the present time about what other telephone companies are doing in Canada, or indeed North America, keeping in mind the terms of true comparison — let's not compare Alberta with its 2.3 million people with, say, California with its 20 million people in a much smaller geographic area. If there are areas that have found a breakthrough that I'm not yet aware of, that I haven't been made aware of by AGT, I'd welcome that information from the hon. member. Given the commitment in terms of our desire to move, we also have to be practical about finding an economical way to do it.

The role of the Public Utilities Board as the safeguard for the consumer in terms of rate increases is very important. The board is there to ensure that rates are not higher than they need to be. Unfortunately, when a rate application which seeks a large increase is filed, it gets headlines. In the last year alone I'm aware of two significant decisions by the board where they rolled back requests of companies, where they said: "You can't rent space at that price from the parent company. It's too high. Either renegotiate your lease or move." They've said "You can't get consulting services from the parent company. That's too close a relationship." Unfortunately those stories don't get the same kind of attention that the rate increases do, but they're important as well.

The matter of public power: no, there are no studies on that question either under consideration or contemplated by this government.

Agreed to

1.0.1 — Minister's Office	\$214,930
1.0.2 — Deputy Minister's Office	\$206,978
1.0.3 — Special Projects Branch	\$75,848
1.0.4 — Assistant Deputy Minister — Gas Utility Division	\$106,610
1.0.5 — Assistant Deputy Minister — Finance and Planning	\$107,494
1.0.6 — Natural Gas Audit Services	\$84,870
1.0.7 — Administrative Support	\$745,943
1.0.8 — Development and Training Branch	\$149,146
1.0.9 — Records Management Branch	\$476,305
Total Vote 1 — Departmental Support Services	\$2,168,124

2.1 — Financial Assistance for Natural Gas Development	\$17,990,00
2.2 — Engineering and Technical Support Services	\$2,363,111
2.3 — Gas Alberta	\$1,764,846
2.4 — Finance and Business Advisory Services	\$741,576
Total Vote 2 — Gas Utility Development	\$22,859,533

Total Vote 3 — Natural Gas Price Protection for Albertans	\$13,382,168
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4.1 — Electric Development Services	\$1,101,134
4.2 — Financial Assistance for Electric Development	\$1,635,000
4.3 — Hydroelectric Development	\$4,000,000
Total Vote 4 — Electric Utility Development	\$6,736,134

Total Vote 5 — Communications Development	\$507,361
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Total Vote 6 — Financial Assistance for Water and Sewer Projects	\$75,155,872
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Total Vote 7 — Electric Energy Marketing	\$52,567,963
Department Total	\$173,377,155

MR. DEPUTY CHAIRMAN: Would the minister like to make the necessary motion?

MR. BOGLE: Mr. Chairman, I move that the votes 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. Speaker in the Chair]

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

Be it resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1986, sums not exceeding the following for the department and purposes indicated:

The Department of Utilities and Telecommunications: \$2,168,124 for departmental support services, \$22,859,533 for gas utility development, \$13,382,168 for natural gas price protection for Albertans, \$6,736,134 for electric utility development, \$507,361 for communications development, \$75,155,872 for financial assistance for water and sewer projects, \$52,567,963 for electric energy marketing.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it's proposed that the Assembly will sit tomorrow night in Committee of Supply. The departments to be called will be Treasury, and if there's time after that, the Department of Energy and Natural Resources.

[At 10:32 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

