

LEGISLATIVE ASSEMBLY OF ALBERTA

title: **Thursday, June 26, 1986 2:30 p.m.**

Date: 86/06/26

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

PRAYERS

[Mr. Speaker in the Chair]

head: **PRESENTING REPORTS BY**

STANDING AND SPECIAL COMMITTEES

MR. HYLAND: Mr. Speaker, on behalf of the chairman, the Member for Whitecourt, I request leave to present the report of the special committee appointed to prepare lists of members to serve on the select standing committees of the Assembly.

head: **INTRODUCTION OF BILLS**

Bill 261**An Act to Amend****the Individual's Rights Protection Act**

REV. ROBERTS: Mr. Speaker, I request leave to introduce Bill 261, An Act to Amend the Individual's Rights Protection Act.

This Bill will amend the Act to include sexual orientation and mental disability as grounds on which discrimination would be prohibited in such areas as advertising, employment, tenancy agreements, and membership in trade and professional organizations.

[Leave granted; Bill 261 read a first time]

Bill 231**An Act to Amend the Land Titles Act**

MR. WRIGHT: Mr. Speaker, this is an Act that will address the problem of the foreign ownership of land in Alberta. The Bill would amend the Act to require every person buying or holding land in Alberta to file a statement of that person's residence and whether or not they are a Canadian citizen with the registrar of land titles. In addition, the Bill would require that the registrar prepare a report showing the extent of foreign land holdings in the province every year. I pray leave, Mr. Speaker.

[Leave granted; Bill 231 read a first time]

Bill 219**Indigenous Cultural Properties
Reclamation Act**

MR. PIQUETTE: I request leave to introduce Bill 219, Indigenous Cultural Properties Reclamation Act.

This Bill would amend the Foreign Cultural Property Immunity Act to exclude all cultural property originally discovered, made, created, produced, built, crafted, or constructed in what is now Alberta from the Act's provision.

[Leave granted; Bill 219 read a first time]

Bill 248**An Act to Amend****the Landlord and Tenant Act (No. 3)**

MR. McEACHERN: Mr. Speaker, I beg leave to introduce Bill 248, An Act to Amend the Landlord and Tenant Act (No. 3).

The Bill would do two things: one, place definitions of both tenant and landlord in the Act, clearly specifying, among other things, that the duties and responsibilities of a landlord dissolve in whole onto her or his successor as landlord; and two, create a requirement that tenants' security deposits be held in separate trust accounts apart from moneys belonging to the landlord and not form a part of his assets.

[Leave granted; Bill 248 read a first time]

Bill 246**An Act to Amend
the Highway Traffic Act**

DR. BUCK: Mr. Speaker, I beg leave to introduce Bill 246, An Act to Amend the Highway Traffic Act.

Mr. Speaker, this Bill will amend the present Act to reduce the period that a motor vehicle may be left on a highway or on a public property without permission from 72 hours to 24 hours. Basically, this Bill will prohibit anyone from abandoning a vehicle on a highway in Alberta.

[Leave granted; Bill 246 read a first time]

Bill 245**An Act to Amend the Clean Water Act**

MR. R. SPEAKER: Mr. Speaker, I beg leave to introduce Bill 245, An Act to Amend the Clean Water Act.

This is a supplement to Bill 240, the Right to Clean Water Act.

[Leave granted; Bill 245 read a first time]

Bill 215**University of the Peace Act**

MR. GIBEAULT: Mr. Speaker, I request leave to introduce Bill 215, the University of the Peace Act.

This Bill would amend the Universities Act to create the University of the Peace, the main campus of which would be situated in the city of Grande Prairie, with subsidiary campuses at no fewer than five smaller centres throughout the Peace, and with an emphasis on distance learning and innovative uses of new technology.

[Leave granted; Bill 215 read a first time]

head: INTRODUCTION OF SPECIAL GUESTS

REV. ROBERTS: Mr. Speaker, I have the great pleasure today during this week of gay and lesbian awareness to introduce to you, and through you to all members of this Assembly, several members of my constituency and neighbouring Edmonton constituencies who have worked to promote GALA week through various organizations such as Gay Alliance Toward Equality or GATE, Womonspace, the AIDS Network of Edmonton, and other such organizations. I ask on this unprecedented day that they rise from their seats in the visitors' gallery and receive the warm welcome of this Legislative Assembly.

In addition, Mr. Speaker. I have the pleasure to introduce the director and several members of the Canadian Mental Health Association who work for the CMHA at this very important work at regional offices throughout the province but who are in Edmonton today and are eager to observe the proceedings of this Legislature. May I ask, Mr. Speaker, if they, too, would stand and be welcomed by all hon. members.

MR. BRADLEY: Mr. Speaker, it gives me great pleasure to introduce to you, and through you to members of the Assembly, the mayor of the municipality of Crowsnest Pass, His Worship Dr. John Irwin. The municipality of Crowsnest Pass was formed in 1979. It is a unique municipal arrangement in the province of Alberta consisting of two towns, two villages, an improvement district, and nine hamlets brought under one municipal jurisdiction. It's the third largest urban municipality in the province of Alberta in terms of area. I should also note that Dr. Irwin's grandfather served in this Assembly as a member from the Calgary area in the 1930s. I'd ask Dr. Irwin to rise and receive the warm welcome of the Assembly.

DR. ELLIOTT: Mr. Speaker, it's not often that we receive visitors from Grande Prairie, and it's my pleasure today to introduce our first visitor from Grande Prairie to Alberta's 21st Legislature, Mr. Eric Jerrard, public relations officer for Procter & Gamble Cellulose. I'd ask Eric to stand and receive the warm welcome of this Legislature.

MR. SIGURDSON: Mr. Speaker, when my leader asked me to shadow the Tourism portfolio, I immediately got on the phone and invited a number of friends from across Canada to come and visit our province. I'm pleased to introduce to you, and through you today to members of the Assembly, from Victoria a friend that I went to university with, Don Grant. I would ask that he rise and receive the welcome of the Assembly.

head: ORAL QUESTION PERIOD

Free Trade

MR. MARTIN: Mr. Speaker, I'd like to direct my first question to the Premier. It has to do with the International Trade Commission in the United States announcing that it will be recommending to the President a 27 percent countervailing duty on Canadian softwood exports to the U.S., mainly because of low stumpage rates in B.C. Given the important implications of this for the provinces, will the Premier now be making a renewed call to the Prime Minister for a provincial seat at the trade table?

MR. GETTY: Mr. Speaker, the hon. Leader of the Opposition knows that there is some period of time now before the President must move on this matter, and in fact, he may not. Also, the government has had meetings with the federal government and other ministers involved in this matter as recently as last week in Vancouver. Several government ministers were involved under the direction of our minister of intergovernmental affairs, and I would ask him if he'd like to report on that meeting.

MR. HORSMAN: Mr. Speaker, the hon. minister of state responsible for External Affairs, the Rt. Hon. Joe Clark, chaired a meeting in Vancouver attended by representatives of all but one of the provinces — I think Prince Edward Island was the only province not in attendance — the representatives of the union most directly involved in this issue, and industry representatives. At that meeting a unanimous position was arrived at by the participants: to take all steps that are necessary and appropriate to defend against the countervailing measures undertaken by the U.S. industry.

With respect to the procedures there are a number of procedures that have yet to be undertaken, and at each stage the industry, which is the group that will have to

respond, will be doing their best to protect the interests of the Canadian softwood lumber industry.

I must say, Mr. Speaker, that with respect to the role of the province we have been requested to answer a questionnaire relative to practices in this province. We are in the process of compiling that information and have a period of time in which to make that available. We are doing that in co-operation with the industry and the union.

Mr. Speaker, I would like to say that having attended that meeting and represented the province together with my colleague the hon. minister of forestry and wildlife, it was indeed a remarkable and, I think, excellent achievement to come forward with a unanimous position of the federal and provincial governments, industry, and the trade union, the International Woodworkers, on our role in this ongoing, difficult problem facing the industry in Canada.

MR. MARTIN: A supplementary question to either the Premier or the hon. minister. It's certainly important to deal with softwood, because it has implications far beyond the softwood industry. There is unanimous consent. Could the minister be a little more specific in terms of what course of action we will be taking which really would stop this sort of U.S. pressure, if I may say so, on provincial rights here in Canada?

MR. HORSMAN: Mr. Speaker, I've already indicated that we are now engaged as a government in providing the information required in the questionnaire. That is, as I understand it, the first official step that must be taken in order to supply information relative to practices in the forest industry in this province. As the hon. member will be aware, they vary between provinces, as does the amount of forest lands under provincial control. So it will vary from province to province relative to the amount of activity that will have to be taken by the various governments. Certainly the industry itself in Canada will have to bear the main portion of the defence in the United States; I use that term, although it's a quasi-judicial proceeding that we're involved in here. Governments cannot, as I understand it, without seriously prejudicing the position of the industry in their defence, provide direct funding to assist in the defence, and the federal government has indicated they are not prepared to do that. But certainly there will be measures taken in co-operation as we move through this process.

I must add that the minister of External Affairs is temporarily absent from Canada and has assured all members who participated in the meeting in Vancouver that upon his return he will be in touch with all of us to indicate in more precision the steps that would be required to be undertaken. Of course, I expect to be hearing from him shortly.

MR. MARTIN: A supplementary question. To look at it in the larger context, Mr. Speaker, stumpage fees for lumber are somewhat similar, at least, to royalties for Alberta oil and gas. Of course, the Americans are targeting stumpage now, but royalty reduction or energy support programs in Alberta could be next. Has the Premier asked his officials to draw up any contingency plans designed to protect our right to set our own royalty rates?

MR. GETTY: Mr. Speaker, the government has a history of maintaining a very strong position of keeping our right to set our royalties to Alberta and under our control. I think it's without question in this nation of ours, and we will do whatever is necessary to maintain that.

MR. MARTIN: A supplementary question to the Premier. I hope Mr. Reisman is aware of that. That's why we think it's so important to have a provincial person at those talks. Does the Premier have a policy recommendation in this area? That is, does the government believe that we should respond with retaliatory duties, or should we make further concessions at the bargaining table, as the United States wants?

MR. GETTY: Mr. Speaker, the whole context of the hon. Leader of the Opposition's questions merely enforces the need to continue on for a period of time with negotiations on free trade matters with the United States so that we will not in the future have these protectionist moves but rather have trade between our two countries covered within an agreement. My position has been that we should continue negotiations with the United States. Those negotiations should go on during the next two or three months until our ambassador Reisman tells us that during this election year in the United States it is impossible to carry on these negotiations. As of right now he does not feel that's the case and wishes to continue.

As the Minister of Federal and Intergovernmental Affairs said, we will be having meetings constantly with the federal government at the ministerial level. We have a first ministers' meeting and a Premiers' meeting coming up to discuss these matters. I think that at any stage should we feel that we are no longer able to carry on meaningful negotiations because of the protectionist moves in the United States, we would recommend that the negotiations terminate until after this election year.

MR. TAYLOR: A supplementary, Mr. Speaker, to the hon. minister in charge of intergovernmental affairs with sideline duties of renovating Liberal washrooms. Would the minister be able elaborate on his words "necessary" and "appropriate" — whether he is now, in view of the royalties affected and the softwood exports in the United States, prepared to table those studies that the federal government has sent him and the Premier as to what the effects are of free trade sector by sector in Alberta?

MR. HORSMAN: Mr. Speaker, the international trade negotiator, ambassador Reisman, has made available quite a large amount of documentation regarding the impact of the negotiations on various sectors of Canadian trade. They are public. Some aspects, I understand, have been deleted because of the sensitivity of some of the sectors. I would think those would be available to the hon. leader and to any other member of the Assembly. But our office of the Alberta trade representative is certainly prepared to share all public documents, and the office either here in Edmonton or in Calgary will be requested now to make those available to the hon. Member for Westlock-Sturgeon.

I won't comment on the other aspect of his question.

Men's Hostels

MR. MARTIN: Mr. Speaker, I'd like to direct the second question to the Minister of Social Services. What are the government's plans with regard to the future of the Single Men's Hostel in Calgary?

MRS. OSTERMAN: Mr. Speaker, as I recall, on my visit down to the Calgary region that was an item that was under discussion as to whether there was a possibility of more community involvement. But I don't believe a decision has been made on that.

MR. MARTIN: A supplementary question, Mr. Speaker. I think there has been a decision made. Maybe the minister would like to get control of her department, because there has been a memorandum sent out from an income security consultant that clearly says that it will be reduced by 20 beds per month until 1987 and then the bed space will be shut down altogether. My question is: is the minister saying that this decision hasn't been made, and if so, why is this memorandum going out at this particular time?

MRS. OSTERMAN: Mr. Speaker, once more I find myself in a position of attempting to respond to a question that — the hon. member obviously has an internal memorandum. I understand it's from a consultant. We have a lot of consulting work done for the Department of Social Services. If the hon. member would like to give me the information, I'd be pleased to respond.

MR. MARTIN: A supplementary question, Mr. Speaker. I'd be glad to file and leave an extra copy for the minister. Flowing from this, I noticed in the budget estimates that there is a small increase in funding support for the Calgary hostel. My question is: why would this be necessary if the government is thinking about shutting down beds, as this memorandum clearly says?

MRS. OSTERMAN: Mr. Speaker, it's a question that probably is more appropriately addressed in the budget process, but because the hon. member leaves some rather interesting innuendo out there, I think it's appropriate to say that we obviously will not abandon our resolve to stand behind those people who are in need of a social service. If, in fact, we have people in need and they are being served by another organization as opposed to direct-line government service, then obviously that other group would have to be funded.

MR. MARTIN: A supplementary question, Mr. Speaker. I'm getting a little upset with the minister. Is the minister saying ...

SOME HON. MEMBERS: Oh, oh.

MR. MARTIN: Let me ask the question. Is the minister totally unaware of what's going on in her department, as seemed to be the case last week? Or is she deliberately then misleading the House in the answers that she is giving to this Assembly?

MRS. OSTERMAN: Mr. Speaker, I believe that if all hon. members will check *Hansard*, they will see that accurate information was supplied. It's a very interesting tactic that the hon. Leader of the Opposition is using to ask questions that obviously would be difficult to answer immediately without the precise information in front of me. But I would say this: there is a policy to explore all avenues to better deliver services to the public, and I'm sure this is another area where advice has been asked for and given with respect to better serving the public.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether two of the alternatives being considered in that review are, one, privatization in the form the government uses, or secondly, transferring some of this responsibility for single men's hostels to a private group who would operate and run the hostel service?

MRS. OSTERMAN: Mr. Speaker, the policy of the department has been over the last while to work primarily with community-based organizations who have indicated that they believe they are in a better position to directly serve those people in their communities, and these are the avenues that have been explored.

MR. HYLAND: Mr. Speaker, I wonder if the minister could inform the House of the percentage occupancy in the Single Men's Hostel in Calgary in the last year?

MRS. OSTERMAN: Mr. Speaker, that is a matter of detail that I'll be happy to provide for the hon. member.

MR. TAYLOR: A supplementary to the minister, Mr. Speaker. Can the minister tell the House what percentage of public funds are going to commercial or nonprofit service delivery as opposed to governmental service delivery?

MRS. OSTERMAN: Mr. Speaker, hopefully we can get into that type of detail in the estimates, and obviously that will take some calculating.

MR. SPEAKER: That's properly a matter for estimates and budget. The leader of the Liberal Party, a question?

Energy Prices

MR. TAYLOR: Mr. Speaker, to the Premier. The Premier's statement a month or so ago, that Sheik Yamani had requested that the Premier cut back Alberta's oil production by 10 percent, has now been followed by the contradiction that there's been a 2-million-barrels-a-day increase in OPEC production since April. Could the Premier explain why only the MP for Edmonton East is taking Alberta's concerns about oil prices directly to the Prime Minister and why the Premier is not doing so?

MR. GETTY: Mr. Speaker, surely the Member for Westlock-Sturgeon can construct a question that I'll be able to give a fair answer to.

MR. TAYLOR: Mr. Speaker, I will try again. Outside of using pictures, I'm having trouble. I lost my comic book and so did he.

Could the Premier explain to the members of the Legislature why the hon. minister Pat Carney has not received a request from the Premier to rework the terms of the Western Accord so that Albertans' interests are correctly represented?

MR. GETTY: Mr. Speaker, hoping that he would be able to do it, he has come through. Wonderful.

Mr. Speaker, we have not asked the federal minister of energy to reconstruct the Western Accord. That's not a desire of ours; therefore, why should we ask it? What we want to do is work with the federal government and their minister of energy to come up with long-term, meaningful ways of helping our energy industry when it needs help

and yet maintaining the risk and reward within that industry that has been so essential to the growth of the industry.

MR. TAYLOR: Mr. Speaker, it's short-term help we want. Would the Premier agree now that he has been double-crossed by the sheik and that the superstatesman approach of bypassing Ottawa has failed?

MR. SPEAKER: That's an opinion. Would you like to rephrase the question?

MR. TAYLOR: You don't really want me to repeat it, do you, Mr. Speaker?

MR. SPEAKER: You can make whatever inference you wish. You were asking an opinion, so . . .

MR. TAYLOR: I would think that the Premier would have tried practising world diplomacy. I just want to know whether he's going to continue the approach, in view of being double-crossed by the sheik.

MR. GETTY: Mr. Speaker, I don't feel in any way that I've been double-crossed by Sheik Yamani. As a matter of fact, I think it's important that the leader of the government in Alberta, with the tremendous impact of energy and energy pricing on this province, should always be able to get the best information possible throughout the world. We do not feel we have to go through Ottawa to do that, nor would we ever. We will get it as quickly as we can. I might say, Mr. Speaker, that my discussions with Sheik Yamani have been very helpful ones. He has taken a great deal of time to provide me with information. He's done it on numerous occasions, and I have felt grateful to him for the effort he has put in. I am expecting additional calls from him. I'm looking forward to those calls. They help us with our deliberations.

MR. TAYLOR: Mr. Speaker, a final supplementary. With friends like that you don't need any enemies. Is the urgency of this matter not driven home when your MP from Edmonton East says that 20,000 Albertans have lost their jobs since February 1? Isn't a short-term solution necessary?

MR. GETTY: Mr. Speaker, I'm unfamiliar with the comments from the MP, but I do know that on a general basis Alberta Members of Parliament are very fine representatives of this province and have been working very hard for their constituents. We appreciate that. But I also know that there have been very, very difficult circumstances for our energy industry. We are working closely with them to try and alleviate those circumstances. We have moved ourselves in the area of some \$600 million to assist the industry: \$100 million in royalty relief, \$300 million in exploratory drilling, and \$200 million in activity incentives. These are very large investments of Alberta's dollars to help the energy industry. We are going to continue to try and help them through this short-term period of adversity. We will do it in any way we can. Because this is a national problem, we would like the federal government to work with us as well. We will be pursuing that with the federal minister of . . .

MR. TAYLOR: But you've got to ask them.

MR. GETTY: Listen, you asked the question. You don't want to hear the answer?

MR. TAYLOR: Three times already.

MR. GETTY: They're just getting a little too lippy over there.

As I said, Mr. Speaker, we are working with the federal government. We have raised the matter with the minister of energy. Our Minister of Energy is looking forward to working with the federal minister in some co-operative way to help our industry on a longer term basis. We do know that the energy industry itself is very resilient. It is moving in many ways to strengthen itself to adapt to the current conditions. I'm looking forward with confidence that the energy industry will continue to grow in this province in the future.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier with regard to the conversation or the material that comes from the sheik. Could the Premier indicate whether there are any indications from that material whether world prices are stabilized or are on the increase at the present time, or is that question totally lacking of good concrete information?

MR. GETTY: Mr. Speaker, we've agreed that the conversations I've had with Sheik Yamani would be treated in a confidential nature. The only thing I could say, responding on a general basis because of wanting to give as much information to a member of this Legislature, is that while there might be a period, hopefully not that long, during 1986 of continued weakness in prices, by the fall and early winter we should have much stronger prices for energy in the world.

MR. PASHAK: Mr. Speaker, I'll try not to be lippy in putting this question. In his reply to the question put by the leader of the Liberals, the Premier mentioned that he was looking for long-term, meaningful ways to solve the crisis in the oil industry. Given that there are some upcoming discussions, I wondered if the Premier would be prepared to tell the Assembly just exactly what some of those long-term, meaningful ways might be.

MR. GETTY: Mr. Speaker, first I congratulate the hon. member for not following the lead of the Member for Westlock-Sturgeon. I appreciate the fact that he's a quick learner.

Mr. Speaker, there is such a range of options, some of which I've discussed in the House before — income stability and lower royalties — and a variety of things that I don't think it would be particularly helpful to go into them now but rather to report on any that we feel we can actually move on to the House as quickly as we can.

Battered Women

MR. R. SPEAKER: Mr. Speaker, my question was to the minister responsible for housing, but I will ask a question to the Minister of Social Services with regard to a Zenith number for battered women across the province of Alberta. There is one in place at the present time for child abuse. Has the minister considered that type of a Zenith line on a provincewide basis?

MRS. OSTERMAN: Mr. Speaker, among a number of options that have been suggested by the women's shelter organization in the province and other organizations as well,

there have been a number of areas that seemed appropriate for a Zenith line or some type of hookup to a main shelter, if you will, particularly — and the hon. member does represent one of those areas much like my own — where people live in a very large geographic area and unfortunately don't have the numbers that would lead to a central place and a reasonable economic basis. It's one of the areas that's being pursued, but it's been done on a regional basis. I believe it's something that needs to be pulled together in terms of a provincial policy.

MR. WRIGHT: Mr. Speaker, my question is to the minister of ...

MR. SPEAKER: Sorry; it's with respect to a supplementary question on this issue. Supplementary, the Member for Edmonton Calder.

MS MJOLNESS: I would like to ask the minister a supplementary. If this is being pursued, when could we expect to have the final process completed?

MRS. OSTERMAN: Mr. Speaker, obviously it has budget implications, and while we've had a very large increase in the funding allocated for the 15 shelters in the province, there was not an allocation made at the time for other services. So it's something I must explore in terms of savings that may be generated in one part of the department and reallocated if possible.

Fish Conservation

MR. HERON: Mr. Speaker, I have a concern and question for the Minister of Forestry, Lands and Wildlife. Members of my constituency and representatives of the Stony Plain Fish & Game Association have expressed concern that the large fish derbies, or fish lotteries, are creating an overkill or an unnatural depletion of our fish population. During the recent \$100,000 derby at Lac Ste. Anne, I personally witnessed an exceptionally large number of boats on the lake. Mr. Minister, is your department monitoring this situation, and if so, what is the impact of these events on such an important resource?

MR. SPARROW: Mr. Speaker, yes, my department is monitoring them. We are concerned that too many derbies like this on any one lake could deplete the stock more rapidly than we would wish. With reference to the derby, it is not controlled in the sense of a lottery. It is being considered as a game of skill, not a game of chance, and it is not regulated.

I would encourage you and all members in the House, if you're having these derbies in your communities, to promote the catch-and-release aspect tied to these derbies. The Alberta fish and game club themselves came forward this year and are using that in their big fish derby. So it's a very positive way to handle the derbies.

MR. HERON: A supplemental question. Mr. Speaker. This event on Lac Ste. Anne, for example, has grown to three events annually. If this number continues to grow, is the department prepared to restrict or prohibit these events?

MR. SPARROW: Under the present legislation we have no way of controlling the number of events. It would have to take regulations or additional change in the federal Fisheries

Act. We try to work with proponents of these derbies to not be a large user of the resource and very actively, as I mentioned before, promote the catch and release.

On top of that, Mr. Speaker, in the last number of years we have increased our stocking program throughout the province. Fortunately, Lac Ste. Anne is a natural producing lake. But we do stock some 290 lakes in the province and very actively have increased that. Hopefully, when the Cold Lake fish hatchery comes on this year and when it gets into full production, we're going to be able to enlarge that again. We're really increasing our resource in that way.

DR. BUCK: Mr. Speaker, a supplementary question to the hon. minister. When the Cold Lake hatchery comes on stream, is the minister or the department looking at an additional hatchery for the northwest part of the province? The minister is well aware that the northern pike and perch, the native fish that we have in the province, are probably the most outstanding game fish. Is the department looking down the road to increasing or doubling or tripling the size of hatcheries for native fish in the northwestern part of the province?

MR. SPARROW: Mr. Speaker, it gives me an opportunity to encourage all members of the Legislature to support the idea during the estimates. I know our department would very definitely appreciate an increase.

To give you some background on the numbers, in 1982 we had something like 5.8 million fish being put into lakes. This year we're over 9 million. When Cold Lake is up to full stream, we'll be up to 35 million. We are servicing a lot more communities, and we'd like to have that increase. We're not up to anyplace near what some of our southern neighbours are, though, so it is something we should be looking at as a good tourist and recreation resource in the future.

MR. TAYLOR: Mr. Speaker, a supplementary to the minister of fisheries. Can he tell us whether he has any recent figures on whether the program of raising the level of Lesser Slave Lake has increased the fish count up there, in view of the fact that maybe tens of thousands of acres of farmland were flooded in order to raise the level?

MR. SPARROW: Mr. Speaker, there is a study going on, and there has been some work done. I haven't got it at my fingertips. But the fishery at Lesser Slave Lake as far as walleye has definitely increased. From the reports I get, the sport fishery in the last number of years has been fantastic. We do have concerns with the amount of commercial fishing that's being done, and there is controversy between the users of the resource. It's nice to be in that position compared to what it was in 1970.

MR. SHABEN: A point of order, Mr. Speaker. Lesser Slave Lake is in my constituency, and the Member for Westlock-Sturgeon might like to know that we didn't raise the lake and flood a lot of farmland.

MR. SPEAKER: I apologize to the hon. minister, but points of order come at the end of question period. In any event, perhaps you could invite him fishing later. Edmonton Glen-garry, please.

MR. YOUNIE: Mr. Speaker, I will try to keep my question on the topic of fishing derbies, where we started. Has the

minister considered promoting the catch-and-release philosophy by, in fact, using special reduced daily catch limits that apply to fishing derbies?

MR. SPARROW: Yes, the department is continually making changes. There's a major change being requested to our fishing regulations. It's presently in Ottawa. Hopefully next year you will see some major changes in the timing, and the catch-and-release aspect is drastically being increased throughout those regulations.

Workers' Compensation

MR. EWASIUK: Mr. Speaker, I would like to direct my question to the Minister of Community and Occupational Health. The provisions in the department's 1981 Act provide for a maximum base figure of \$675 per month for life for compensable accident payments. My question to the minister is: given the fact that there has been a 24 percent increase in the cost of living between 1981 and 1985, with no changes to the amounts being payable to injured workers, does the minister intend to introduce legislation in this session that will provide a cost of living increase for those disabled workers?

MR. DINNING: Mr. Speaker, I thank the hon. member for his question. That as well as a number of other representations have been made to the provincial government with respect to an increase in pensions payable to recipients of workers' compensation pension benefits. It is a matter that I am reviewing with my caucus and cabinet colleagues. It is a matter that has not yet been decided, but I hope to be making a decision on the matter in the days ahead.

MR. EWASIUK: A supplementary, Mr. Speaker. Can the minister confirm that there is proposed legislation floating around his department somewhere? If there is, what is holding it up from being presented at this session?

MR. DINNING: Mr. Speaker, I believe I've answered the question.

MR. SPEAKER: It's anticipatory. A further supplementary.

MR. EWASIUK: Since the minister won't assure us that there is proposed legislation, Mr. Speaker, what other step has he taken to address this injustice?

MR. DINNING: Mr. Speaker, again, I believe I've answered the question.

MR. SPEAKER: Perhaps the Member for Edmonton Beverly could frame another question, please.

MR. EWASIUK: What is the government's position on lump sum payments to claimants, in particular since 1981, who have not received the required funding because of the increase in the cost of living and have lost purchasing power? What is the minister's intention to rectify that situation?

MR. DINNING: Mr. Speaker, the government's position on the matter of lump sum payments for workers' compensation pensioners is one that — the select committee of the Legislature regarding workers' compensation in the last session of the Legislature came forward with some very

strong recommendations that we move more in the direction of lump sum payments. Just as it is this government's philosophy and principle that every single person in this province should make decisions for themselves, the practice of lump sum payments is quite in keeping with that philosophy and principle. So I hope to be able to encourage the board to move more and more, as I believe it has done, in the direction of lump sum payments for pensioners.

MR. CHUMIR: A supplementary to the minister, Mr. Speaker. In light of widespread worker dissatisfaction and restiveness, including hunger strikes in Calgary, is the minister planning any steps to restore badly needed worker confidence in the workers' compensation system?

MR. DINNING: Mr. Speaker, I have had the opportunity now to meet with members and staff of the Workers' Compensation Board. I believe that they are very, very aware of the concern and are very sensitive to it. It is a matter that they are looking at very carefully, and we will continue, as I say, to provide responsive, sensitive, and responsible service to those who are beneficiaries of workers' compensation.

MR. GOGO: Mr. Speaker, could I ask the minister or the Premier: is it the intention of this government to strike a select committee on worker compensation for the 21st Legislature?

MR. GETTY: Yes, it is, Mr. Speaker.

Private Social Service Agencies

MRS. HEWES: Mr. Speaker, my question is to the Minister of Social Services. Since there is evidence of a move towards commercialization of social services through such things as commercial day care, job clubs, and so on, would the minister explain why the government is proceeding with contracting out the operation of services to people without a public policy developed through public input?

MRS. OSTERMAN: Mr. Speaker, I believe that "commercialization" is not a term that I would use to express the policy of the Department of Social Services. The main area where the contracts exist, in fact, is in the major community organizations that are delivering services. There has been some experimentation, for instance, and the hon. member mentioned the job club area. Several of those have been extraordinarily successful, far more successful than any program that had been delivered by the department before. I think the hon. member would agree that when people in the public sphere out there in private sector or community organizations have good ideas that are worthy of pursuit, in fact, we should be investigating those ideas.

Mr. Speaker, there is very little "commercialization." There is a lot of "publicization", if you will — I'm not sure what the term should be — with respect to community organizations who are assuming more and more of the services located in their communities by way of contracts and grants.

MRS. HEWES: Mr. Speaker, a supplementary. I'm not sure I understood the minister correctly. Is there then, in fact, a policy in the department for contracting out of government services to either nonprofit or commercial centres?

MRS. OSTERMAN: Mr. Speaker, we continue to explore better ways to deliver services to the people of Alberta. The greatest role is being played by people in the community, individuals and community organizations who identify needs in their community, come forward, and ask to work with us in order that those programs can be funded. That is where the greatest effort is being made. As good ideas are brought forward, we will continue to endeavour to explore those ideas or possibly put them in on an experimental basis.

MRS. HEWES: Mr. Speaker, to the minister. Since there appears to be a move towards developing standards, will there be a public discussion of such standards and the proposed implementation before any further contracts are let?

MRS. OSTERMAN: Mr. Speaker, there is a working group that has been for some period continuing to upgrade standards. Many of the various organizations are judged by their peers, many of them are judged by organizations outside the province and outside the country when speaking to accreditation, and I'm very, very proud of all the organizations. The hon. member will be aware of so many that, for instance, are located in the city of Edmonton: the Western Industrial Research Training Centre. Catholic Social Services, the Goodwill people, the Association of Human Services in Alberta, the Alberta association for the mentally retarded, and the Good Samaritan Society. All of them are delivering enormous services in this province with high-quality standards, all wanting continually to upgrade those standards.

MRS. HEWES: Mr. Speaker, to the minister, a final supplementary. Back to commercialized services, will the minister tell us what requirements presently exist for suppliers of commercialized service delivery to provide an accounting for funds each fiscal year?

MRS. OSTERMAN: Mr. Speaker, once again the hon. member seems to be implying that we have a lot of commercialized services. The hon. member mentioned day care. I think that's an appropriate example to use, because there are both public day cares, community organizations who promote and are responsible for day cares, as well as private-sector day cares. The decision about where children will attend in respect of day cares and family day homes is made by the parents. Obviously, we have to demand accountability for spaces that are utilized by way of our operating grant, and we have to speak to the accountability with respect to the standards that are in place for purposes of licensing. But in the end parents are the ones who will judge where the best places are for their children.

MS MJOLSNESS: A supplementary to the minister. In view of the fact that there is greater involvement being shifted to the community, I'm wondering if the department is willing to hold public hearings on the whole area and perhaps involve and get input from the public, from clients, and from social workers?

MRS. OSTERMAN: Mr. Speaker, I can assure you that all the organizations, the clients that are being served, many social workers who work for a lot of the organizations that I've identified, and that's only a small portion, are all a

part of the ongoing discussions in terms of the better service of clients. In particular for those clients who are ...

MR. MARTIN: Connie, your nose is growing.

MRS. OSTERMAN: You're looking in the mirror, Mr. Leader of the Opposition.

There is wide and ongoing consultation, and if the hon. member would like, for instance, to have a discussion with the Association of Human Services in Alberta, who play a major, major role in these ongoing discussions, the hon. member will find that they are very satisfied with the consultation. There has been major consultation going on since 1983. What may be the concern the hon. member has is that the hon. member may not be happy with the results of some of the consultation, but I can assure the hon. member that the organizations are.

MR. SPEAKER: I apologize to the Member for Grande Prairie. We have now gone three minutes past question period. I had recognized that member. Is the House willing to entertain this series of questions?

HON. MEMBERS: Agreed.

Rural Electrification

DR. ELLIOTT: Mr. Speaker, my question to the minister responsible for utilities is to do with the rural electrification associations in Alberta. I'd like to have him tell us the status of the master agreements which have been under construction in Alberta between rural electrification associations and the utility companies.

MR. ADAIR: Mr. Speaker, with regard to the master agreement that is presently in its final stages with the power companies, TransAlta Utilities and Alberta Power, my understanding is that the joint committee has reached the point of dotting the i's and crossing the t's and that in total 89 contracts have been signed, 45 of them in the Alberta Power region, 44 of which have been signed by both parties. In the TransAlta region 42 contracts have been signed but are awaiting the signature of the power companies, who want to sit down with them and discuss or explain some of the features. I would suggest that they look at them as quickly as possible and sign them in the interests of working together.

DR. ELLIOTT: A supplementary, Mr. Speaker. Has there been reluctance on behalf of the signers to sign these agreements?

MR. ADAIR: Mr. Speaker, in the past I guess there has been a reluctance. I think part of that stems from the original negotiations that took place between the REAs and the power companies relative to the new master agreement. That is behind us, and my understanding is that they have reached a general agreement with the contracts and will be signing them shortly.

MR. SPEAKER: Today with respect to question period we have gone through 39 questions, and we have left six members waiting in the wings to be able to enter question period. I have a note that the hon. Minister of Federal and Intergovernmental Affairs would like to supplement a question which was raised in question period yesterday. Is there concurrence of the House?

HON. MEMBERS: Agreed.

Free Trade (continued)

MR. HORSMAN: Mr. Speaker, the matter arose from a question asked today by the hon. Leader of the Opposition. In his preamble he indicated that the decision by the International Trade Commission was now before the President of the United States. That is not accurate. There are several steps that must yet be taken before any determination of the main issue is concluded. It will probably not be until October of this year before a final determination might be made by the Department of Commerce in the United States. For the benefit of members of the Assembly I am proposing to undertake, because of the importance of this industry to Alberta, to provide all hon. members with an outline of the process that will have to be undertaken during the course of this countervail hearing. I trust that all members will find that to be of use in terms of following this subject over the next several months.

MR. MARTIN: In question period I said "will be recommending." I know the process is semi-judicial; my understanding is that they have to make a decision by December 4.

MR. SPEAKER: I'm sorry, hon. Leader of the Opposition; we can't engage in responses to information that has been supplied. Next day during question period would be ample opportunity.

DR. BUCK: That's why it's wrong.

MR. SPEAKER: Hon. Member for Clover Bar, whether you think it's wrong or not, that's the decision of this House.

ORDERS OF THE DAY

MR. JOHNSTON: Mr. Speaker, if I may just interrupt the proceedings of the House before we move to Orders of the Day to request consent of the Assembly to allow us to formally present to you the estimates of the Assembly. I understand that the House leader will be taking this into Committee of Supply at 8 o'clock, and I would like to formally present to the House certain messages which I have received from Her Honour the Lieutenant Governor.

Mr. Speaker, I have received certain messages from Her Honour the Lieutenant Governor, which I now transmit to you.

SERGEANT-AT-ARMS: Order!

MR. SPEAKER: The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1987, and recommends the same to the Legislative Assembly.

Would you please be seated.

head: WRITTEN QUESTIONS

32. Ms Mjolsness asked the government the following question: For each of the fiscal years 1983-84, 1984-85, and 1985-86 and at March 31, 1986, what was the average caseload

served by on-line social allowance workers and by on-line child welfare workers, in each case, employed by the Department of Social Services and Community Health in each of its district offices maintained under the department's social services branch, and on the basis of the total of all such branches?

MR. HORSMAN: Mr. Speaker, the government accepts Question 132 on the Order Paper, and I move that Question 148 and Motion for a Return 145 stand on the Order Paper.

[Motion carried]

head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

204. Moved by Mr. Nelson:

Be it resolved that the Legislative Assembly urge the government to

- (1) take immediate steps to develop a municipal insurance program for the purpose of assisting municipalities with liability insurance coverages; and
- (2) make representations to the federal government to encourage a national program.

MR. NELSON: Mr. Speaker, as most hon. members know, our municipalities, hospitals, volunteer and nonprofit organizations, schools, and many other groups are hurting tremendously because of extremely high liability insurance rates that are being offered them by the few insurance companies that are able to do so. The bottom line is that because our groups, towns, cities, et cetera are hurting, the taxpayers are hurting, because they are feeling the brunt of that very large increase in liability insurance. They are the payers of that insurance that is supposedly protecting our interests.

When introducing this motion, I appreciate the fact that the government has appointed an adviser to advise the government on this turbulent situation on both the national and international scenes, plus there are two other initiatives that have been taken which I'll deal with in a few moments. I also know, Mr. Speaker, that it is not only the cities, towns, volunteer groups, hospitals, et cetera, but it is our small businesses that are hurting. However, that is another issue due at another time, as it would indicate that I would suggest that the government try to get into the insurance business in a far wider scope than I might suggest here today.

With the process that is now taking place in the areas that the government has been participating in, it is the view of many of our towns, cities, and villages, along with the other groups, that it is too slow a process. They need immediate action. Not being one to support the view of stopgap situations in any of our areas, be it agriculture or whatever, because I believe we should consider and think out these situations in the best manner possible, it is my feeling at this time, along with others I have spoken to, most recently Mayor Klein in Calgary, that they need some interim and immediate action. This can be done in a number of ways by legislating certain aspects of claims for damages.

It seems the courts are of the view that if people are injured or killed on municipal property, whether they are there legally or otherwise — and I'm referring to people who may trespass through signed property — whether they fall into a pool, injure themselves in a park or, for that

matter, fall into a river and either drown or get seriously injured, through ignorance or through knowingly entering a property illegally, these people may be entitled to a very large claim against the municipality through our system in our courts. In many cases it becomes a syndrome where you have the big bad guy — being the large, corporate structure of the municipality or other group — against the poor little guy that had an unfortunate situation happen to him, albeit deliberately, legally, or otherwise. Unfortunately, many times our emotions overtake our good reasoning, not like many other issues in our complex world of today.

Mr. Speaker, rates in many of Alberta's municipalities have jumped tremendously over the last year. In Calgary alone the rates have jumped something in the order of 200 percent over 1985, that being in the order of three times the previous amount they paid for the claims. It should also be noted that not only are they paying a tremendous amount more in insurance rates but their amount of coverage is considerably less. The amount of deductible in each case has increased to the extent that in many circumstances the municipality, if it had a very large claim against it, would be in a position of tremendous financial strain.

The city of Edmonton's insurance rates rose drastically from last year. Wherein they paid \$1.4 million for \$50 million of liability coverage in '85, this year's policy, which is still being negotiated, calls for a \$2.25 million premium, an increase of 60 percent for only \$20 million in coverage.

Red Deer's insurance premiums jumped from \$44,000 to \$184,000 or a 400 percent increase, with some exclusions in their deductible and, of course, the deductible becoming a higher amount.

Mr. Speaker, these rates are unacceptable to the taxpayers of our towns, cities, and villages. The Canadian insurance premiums for municipalities in 1985 were \$475 million and a claim of \$525 million was made, which was in fact a shortfall of some \$50 million relevant to the payout as opposed to the premium. But it's estimated that in 1986, \$1.5 billion will be the insurance rates for liability in our Canadian municipalities, which is three times higher than that which was collected last year. What effect and impact does that have on our property tax payers within our municipalities? What effect does that have on jobs? What effect does it have on tourism? On consumer goods? It has a tremendous impact, because those people providing those services are the payers of those insurance rates.

Mr. Speaker, the provincial government has jurisdiction over the relationship between insurance companies and their clients, including the setting of premium levels. Since early this year the government of Alberta has taken three steps that may at some time in the future offer us some assistance or at least some manner in which it's determined how we should deal with this issue. The first one is to establish an upper limit on court awards for damages in personal injury claims against these municipalities or their institutions. This means that in some way we would have to legislate a cap on court awards in personal injury cases against our municipalities, hospitals, and volunteer groups.

The second thing is to limit the situations in which a municipality or institution may be found liable for personal injury occurring in the municipality or on the institution's land. It's interesting that there was a municipal claim in one town, and the municipality complained during the meeting that it was being sued because someone wandered into the local river and drowned. As you may know, throughout the United States in particular, very, very large claims are being assessed not only against municipalities but in other

types of injury-related accidents. Of course, the same thing is now starting to creep into our Canadian climate. Municipalities are having to close down parks, pools, and riverbeds. I guess the question is what do we do? Do we fence in the community? Fence out the opportunities for quiet enjoyment by all of our citizens? There has to be an answer for this particular issue that we can deal with.

Another area to consider is to allow judges to award structured settlements. Structured settlements are provided for in the federal Income Tax Act, and they of course allow for an award to be spread out in whole or in part over a period of time and possibly for the life of a plaintiff. I guess a prime example of that is the highly touted award that was spread across the news headlines where a girl in Ponoka, I believe, was given a \$10 million award. Of course, when that happened, everybody thought there was a \$10 million payout, which in fact was not the real case at all. Through the purchase of annuities and various other payment terms, the actual payout by the insurance company may be a \$1 million, subject to the appeal that is before the courts at the present time.

Mr. Speaker, there are those experts — and I use the terms loosely because I really don't know what an expert is. Some people tout themselves as experts, but when the bottom line comes in, you have to question whether in fact they are experts or people giving an opinion, which could be like giving a lawyer the opportunity to have an opinion and coming back with another three, because that's the way it works. Some experts suggest that exploding insurance rates may in fact be coming down, but the question always arises: after they have been rising at a rate of 400 and 500 percent, at what rate would they be coming down? Would they be coming down 100 or 200 percent, or in fact would they come down the 5 or 10 percent we might expect from some of these large corporations?

The other question that has to be asked and addressed is: because of the many natural and large disasters that have taken place over the last two or three years — I guess one that's close to home is Syncrude, where there was a coker that went down with approximately a \$300 million claim; the air disasters that have taken place throughout the world; the disaster in Bhopal in India; and many other things with large claims. We ask ourselves how and why that should impact on Calgary or Alberta or Canada.

Of course, some of these claimants, especially in the Air-India disaster, were from Canada, where there may be some remuneration to some of these people. However, the question arises, "Why should I, as a payer of insurance or as a citizen paying taxes, have to pay for something that occurred on the other side of the world?" Normally if someone has been negligent, their insurance rates would rise. Certainly there's a responsibility for all of us to participate to some degree, I guess. However, where we don't have the same experiences within our own environment, I do not believe it is totally fair that we should be paying for these disasters that occur in other parts of the world.

We know that many other provinces in Canada are also examining this insurance situation. Some of them have made some advances in assisting the many communities within their province, but not, however, assisting the taxpayer to the extent necessary.

Mr. Speaker, on April 8 a similar motion was put to the Legislature by the hon. Member for Drayton Valley which was a little more encompassing than the one that I have placed forward today; it also included businesses and other things.

There's another twist to this issue of insurance and liability. It goes to our communities and the concern of our uniformed people — in particular, our paramedics, firemen, and police officers — who, in the service and interests of the community, may create a situation where they may be liable, always remembering that these uniformed services within our communities are people dedicated to the service of the community, in many cases at great danger and risk to their own person. Of course, having had the opportunity to work with the uniformed services in Calgary for a number of years as a member of city council and also as a police commissioner, I find myself somewhat closer to the issue of these uniformed people than maybe some others. Maybe what I should do when I'm debating a motion of this nature — because here again some of the emotion does take over the other, and I certainly have been one to publicly and visibly support our uniformed people within the city of Calgary and other parts of Alberta and Canada. These people must have protection in the call of the duties they have to participate in to protect life, property, and limb. Nurses in our hospitals must have the same protection as, in the service of mankind, they too are trying to put forward an effort to not only save lives but see to the comfort of those people who are ill or injured, some seriously.

As I have already indicated briefly, our municipalities, with their recreational parks, pools, and other facilities, must also have the same protection so that we don't have the same problem as they do in many parts of the United States of closing those parks down because of a lack of liability insurance.

Our volunteer groups must also have better protection. There is a case before the courts in Calgary now. I'm not going to elaborate on it at this time, but a young fellow hurt himself in a game of hockey and is now, through his lawyers, laying a lawsuit against the participants, including many volunteers, coaches, and so on. I have great difficulty with that, because should something like that be successful, that may be the end of volunteer groups participating in sports programs in our communities. And how do you obtain liability insurance for many of these young people who are really out to enjoy themselves, who want to participate in becoming better citizens but will not be able to do so because we are unable to provide the necessary protection in case they are on the wrong end of an injurious situation?

There have been suggestions that because of the legislation that is already in place in Alberta, we ask the municipalities to self-insure. Mr. Speaker, it might be useful that in Alberta, there may be two municipalities, and possibly up to six or seven, that may have the ability to self-insure. But what about all these other smaller towns, villages, summer villages, and small cities? Will they have that ability? Of course not.

There is the possibility of activating the Alberta insurance corporation, which is also on the Legislative books. It's been there for many, many years, set there by a previous government. I'm not sure that activating the Alberta insurance corporation in total would be a great thing, because they might have other demands on it by the government getting into the total area of private-sector insurance, which I certainly do not agree that we as a government want to do or should do.

So what can we do? Mr. Speaker, I have a number of thoughts and recommendations that I wish to put on the record. Possibly we could utilize one of these or a part or even a combination of all of them, to assist our municipalities, at least in the short term, until such time as the areas

that the government has asked to have looked into are completed and a full examination has been made by the ministers responsible once these reviews have been completed.

The First one is that we could subsidize the municipalities to the extent necessary, allowing for a certain percent increase in their rates over a given base. These rates could be negotiated between the AUMA, the MDC, and the government. This would be an interim measure, awaiting the findings of the government-appointed adviser and the other two committees that are examining this very important issue — I should state, Mr. Speaker, one committee and the Superintendent of Insurance, because they are the people doing so.

That particular recommendation would allow the municipalities to pay into a pot, if I can use that term, moneys that would be there for liability insurance purposes. In the long term and even probably the short term, it would not really cost the government any money unless there was an outstanding award given; that, of course, we don't always know about.

The second one is to place an upper limit on court awards for damages and personal injury claims against municipalities and other institutions, as I've already identified. I briefly touched on that one previously. This would mean a legislative change, and I'm sure all hon. members would certainly view that as a possibility and a very quick possibility. We could limit the situations in which a municipality or institution may be found liable for personal injury occurring on a municipality's or institution's land. That may have to be expanded. I'm using the term land in the broadest sense, because of course there are buildings, land, and maybe vehicles or other things that a person may get injured on, whether they are there in a legal sense or illegally. Certainly there is some concern about the illegal manner in which people enter property and get injured and then the taxpayer has to pay for that damage.

The fourth one is to allow judges to award structured settlements. The fifth, Mr. Speaker, is to appoint a select legislative committee to investigate the relationship between insurance companies and their clients, including the setting of premium levels. I tend to think that a legislative committee with some teeth to it could in fact come back with recommendations, after reviewing the many opportunities that are being looked at by the people that are presently looking into the government's interests and, of course, examining other jurisdictions, specifically in North America, as to how they are dealing with these outlandish insurance rates for liability.

The next one, Mr. Speaker, is one I don't wish to expand on too much, because I'm not totally in favour of it. It is to activate the Alberta General Insurance Company.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, all hon. members could certainly speak to this issue at great length — over a number of hours, in probability — but I would ask all members to support the motion to assist our municipalities, to assist our property tax payers with the liabilities in their communities in an affordable manner. I wait to hear other members' comments.

Thank you, Mr. Speaker.

MR. WRIGHT: Mr. Speaker, this motion is remarkable in that it is exactly what we need and one which we on this side of the House can wholeheartedly support — by this

side of the House, I primarily mean my hon. friends but also, it seems, the rest of this side of the House — because it really involves the government stepping in where it is absolutely necessary to do so, having regard to the astonishing and unnecessary rise in premiums of the casualty companies, which, by the way, in this country are for the most part foreign-owned.

When we have these enormous rises, it seems accompanied by a concerted propaganda campaign to talk about the liability explosion. As far as the United States is concerned, it has been exposed in a blue but unattributed pamphlet, which I and I presume other hon. members have received. If true — but certainly it's backed up by reports in newspapers that there has in fact been no great explosion in the awards. When that is the case, it is certainly necessary for the government to do something about it, and I warmly commend the hon. Member for Calgary McCall for his initiative.

I say that it's somewhat surprising, because the very same member on April 23 last year, in speaking to a motion from the hon. Member for Spirit River-Fairview which asked for government help on a fertilizer allowance, said in *Hansard*:

As far as I am concerned, socialism has to be the end-all, the last call for anybody to resort to.

A socialistic attitude. I have read it as it was reported. With respect, Mr. Speaker, it seems to me that we do have that type of call for such legislation now, and I commend the hon. member for recognizing it.

Mr. Speaker, 27 or 28 years ago, in this very building. I received a bonus or a prize for coming up with an idea, which I think is still the case with the government. I was working in the Attorney General's department then; it was in this building. I was astonished to find that the government of the day had a convenient arrangement with various insurance agents for the insurance for each department to be placed through those agents. It was great for the insurance agents and the insurance industry, but it struck me that the government of Alberta even then did not need any insurance at all. Its assets were big enough to cover any liability. So I made this proposal and suggested a setup whereby the premiums that the departments paid, or a proportion of them, be funnelled into a central government fund to deal with automobile liability, anyway. It was certainly taken up then, and as far as I know, it's working now.

It seems to me that that sort of scheme can be expanded or reproduced to help municipalities. I noticed in the *Globe and Mail* on the 24th of this month that increases of up to 71 percent in premiums for municipalities have been the key factor in slicing the loss ratio from 98 percent to 64 percent for insurance companies doing business in Canada and increasing profits from \$22 million for the previous reporting period to \$173 million for the latest. That is before the full impact of the bigger increases spoken of by the hon. member. In view of that rapacity, Mr. Speaker, I suggest that it is necessary for this House, regardless of what our philosophical preferences may be, to help the municipalities with a scheme funded by government to the extent that is necessary to meet the challenge.

My respectful submission, Mr. Speaker, is that it will not in fact be necessary for the government to put any money in at all if the municipalities are prepared to put in at least the premiums that they were paying last year, because the inflation in awards in Canada has been very much exaggerated. The experience cited by the insurance companies which allegedly justifies these enormous increases

includes American experience. In any event, as I pointed out, that experience is exaggerated.

Furthermore, the insurance companies made a profit last year — quite a substantial profit — despite their losses. All they compare in the public prints is their loss ratio; that is, a ratio of premiums paid in a particular year to losses sustained. But you can't just make huge increases of premiums because of losses in one year. It is to be noted that, wisely, of course, they had invested profits from previous years as cushions against bad years, and so with the income from investments from previous years, they still made a profit. And yet we hear of threefold, fourfold, or even fivefold increases; it is rapacious, as I already said once; The answer is a bit of good old-fashioned competition, but this time emanating from the government of Alberta; not necessarily an overall scheme, at the outset, at any rate — I'll come to that in a moment — but at least a scheme in which municipalities can contribute to a fund which will provide them with their ordinary insurance.

Now there are some municipalities — Edmonton is one — which are self-insurers up to a disaster level; it used to be half a million dollars. That can continue. They can continue to lay off their disaster insurance with Lloyd's or one of the other basic insurers, or they can pay the same premiums to this municipal fund and get the benefits. It strikes me as a very viable idea indeed, and one we are certainly in favour of. We would like to say that it could more easily — perhaps, not immediately; it's not necessary to have a very short-term answer to this crisis. But in the not-so-long term, it should be part of an overall government insurance office that will be prepared to insure the motorists of this province — as you know, for a long time we've all been in favour of that — and also other types of cover as the citizens may wish, because we shouldn't have to place municipalities or citizens, for that matter, in the position of having to come to the government when there is a crisis in their area which hasn't yet been covered. We should have the mechanism in place permanently to meet these recurring crises. I warrant you that they won't occur so often when the insurance companies realize that there's at least one government willing to help its citizens protect themselves.

Mr. Speaker, I'm very glad to add my support to the hon. member's motion. As for the other half of the question, being the limitations that should be placed on liability and also the method of funding awards that are made there too, we have to be in substantial agreement. Again, we must be careful not to suppose there has been any dramatic increase in the awards. There are always one or two very large awards, and we tend to think that this is typical. Furthermore, when lawyers go to court, because of the rules in this province, you have to state your claim even though you know you won't get anywhere near that claim. It's a silly rule, in my opinion, in the rules of court in this province. You should simply claim general damages and let the judge or jury award them rather than being obliged to state an amount which you know is artificial. Yet these are the amounts that are printed in the newspapers, and people get very alarmed about it. Nonetheless, there is a crisis in premiums, and there have been some really mysterious awards.

As the hon. member said, the fact that the plaintiff is a trespasser is not decisive of the question of whether he can recover, nor should it ever be decisive, really. Technically you can be a trespasser just crossing a piece of property that you do not own or on which you have no

right to go. If there is a trap there — let's say an old well has been partly covered in but the wood is rotten or something and you fall in — it is right that such a person should be able to recover, because that's a trap. Perhaps the limiting legislation can speak of such conditions and state them to be the sort of conditions under which recovery can be made even though the plaintiff is a trespasser. That is the most difficult part of this motion to come to grips with. But given some work, perhaps by the institute for law reform at the university, even that section can be dealt with.

As for structured settlements, that is long overdue. Again, we support that, Mr. Speaker. It's happening all the time, but of course it's only voluntary when it does happen, because, as I'm sure you know, the only thing the courts can do with money is to award a lump of it. They can't award a stream of income.

Mr. Speaker, I urge hon. members to support this motion.

MR. DROBOT: In rising to speak on Motion 204, Mr. Speaker, I believe the motion brought forward by the hon. Member for Calgary McCall is worthy of our consideration. There is a grave concern in municipal circles about the almost prohibitive cost of liability insurance premiums. We can well imagine how difficult the task of budgeting is for municipal officials when a major area of expense is tripled in one year. This is a difficult situation faced by many municipalities. The cost of liability insurance premiums has exploded over the past year. Several municipalities are paying twice as much in premiums for half the coverage.

In fact, the county of St. Paul is in court today over a railroad accident of which they are — I'm not sure of the legal term — a party of the second part, because the accident happened within the county.

The insurance industry is obviously in a period of drastic readjustment. I do not pretend to know the root causes of rising premiums or how long these dramatic increases will continue. Various fingers have been pointed, Mr. Speaker, at the industry itself. Others blame lawyers — a sue-first mentality. Other people think we've just had a bad run of accidents lately. I do not prescribe to any one point of view or the root causing the rising premiums. None of the above reasons seems to be entirely correct.

I know the Alberta government is giving this crucial issue its serious attention. The Superintendent of Insurance is reviewing liability premium costs. The Provincial Treasurer is monitoring the international situation with regard to insurance in municipal fields. Alberta Municipal Affairs has struck a review committee. Nor do I prescribe to the hon. Member for Edmonton Strathcona. We have to remember what Churchill said: "Government can't provide all the answers; socialism is the end result of failure."

The municipal liability insurance review committee includes representatives of the industry, municipal associations, and the Department of Municipal Affairs. It will review the situation as it pertains to municipalities. I'll look forward to seeing the findings of this committee, hopefully, as soon as possible.

The resolution before us today calls for government action. I agree that something must be done to alleviate this great drain on municipalities. Perhaps the answer lies in a greater use of self-insurance plans. The provincial government could facilitate a process of municipalities pooling their resources and setting up their own fund. I understand that this practice is already done to some degree by several municipalities and is being looked at by others. The

current situation requires us to take a look at the merit of adopting the self-insurance option to a much greater degree. I guess the bottom line is that if municipalities are left with overly expensive or inadequate liability coverage, the Alberta taxpayer will be left to eventually pick up the cost.

Mr. Speaker, there is another aspect; that is, it's becoming very hard to buy high-risk commercial coverage. This is also reflecting on municipal insurance rates. In discussing this with local municipal bodies, opinions are varied, but the concerns are mutual. Some municipal people feel that insurance companies are treated as sacred cows and are emitting a lot of sacred bull to the public. Others feel that the blame lies with the law and the judiciary system. Regardless of who is to blame for the increase in liability premiums, municipalities have been among the hardest hit.

Mr. Speaker, a second concern is that smaller municipalities will have difficulty with self-insurance programs even if it's a joint venture. Bringing a motion before the House again for debate expresses an issue in which the public has a vested interest. There are already provisions in section 145 of the Municipal Government Act that allow self-insurance to play a greater role in encouraging and working this practice. This is the only possible solution to a very complex and demanding problem.

I support this resolution and urge members of the Assembly to solicit their various municipalities to get their opinions and their views about liability insurance premiums and problems.

Thank you.

MR. MITCHELL: Mr. Speaker, I would like to rise and speak in support of this resolution as well. In fact, I am so favourably predisposed to this motion that I would like to see its limits extended to include a broader consideration of liability insurance requirements and regulations in this province.

I won't speak at length or in detail on the issues or the principles involved. I rise only to mention a specific case that's been brought to me by several of my constituents, who are involved in a brand-new cab company called United Cab. They have encountered a number of very difficult problems related to getting their company off the ground, as it were, and those problems are more specifically related to the cost of liability insurance.

When they started their company several months ago, they were quoted as requiring to pay \$2,500 for each car, no matter how many cars they had. Shortly after that, the company with which they were involved requoted — I should point out that there is very little competition amongst companies for this kind of business — saying that they had two options. One was to pay \$5,400 per year individually for cars. Or if they had 50 cars and \$160,000, they could, through that economy of scale, reduce their annual premiums to \$3,200. They don't have 50 cars and they don't have \$160,000, so what has happened now is that they have reduced the number of cars they have on the road from a peak of 31 several weeks ago to 11 at this time. They now have 11 because all they can come up with is 11 times \$3,200. What they have is highly-restricted facility insurance, which does not allow them to exchange drivers amongst cars and so on.

I raise this to make the point that insurance problems are having broader ramifications for small business in this province. I regret the fact that we had 31 drivers employed and now we're at 11. Complicating this matter is the fact

that this company applied for \$25,000 from AOC and were turned down.

I encourage the government to go beyond this resolution to consider a broader review of liability insurance in this province.

Thank you very much, Mr. Speaker.

MR. SIGURDSON: Mr. Speaker, I, too, want to offer my support to the motion and encourage the government to go beyond just the question of municipal liability insurance and to get into the public ownership of auto insurance and other insurance agencies that will assist across the province. [interjection] That's right, Les, you've heard this one before. [interjection] It does to a lot of people.

During the campaign I addressed a number of young people that were having problems with their auto insurance. I think it's important to look at the kind of premium that those young people are paying. I called around during the campaign to a couple of auto insurance places and asked what their premium would be on a 1985 souped-up, four-cylinder Camaro. This is a four-cylinder car; it's certainly not a powerful, powerful automobile. This person had no traffic violations, no accidents, no points, and took a safe driving course. The kind of coverage that he wanted was \$1 million in third-party liability, with \$500 deductible on collision, fire, and theft.

The first company that I called told me that given my record — or the 18-year-old's record — had I been insured with them in the previous calendar year. I would be able to purchase insurance from them at the low rate of \$1,200. I couldn't believe it. I thought I'd best check around; surely to goodness, that agent has made an error. I know that we are in the age of computers, and they must have touched a wrong button somewhere. So I phoned around, went to a different company, and asked them what it would be on a 1985 four-cylinder Camaro, given my record, which is clean, and wanting the coverage that I quoted earlier.

MR. STEVENS: Mr. Speaker, on a point of order. This has nothing to do with municipalities. I am sure that the member will find some way to have this topic somehow come back to the subject of the motion. But I would ask. Mr. Speaker, if in fact a discussion about automobile insurance can in some way be related to the subject of Motion 204 before us.

MR. DEPUTY SPEAKER: The Chair appreciates the hon. Member for Banff-Cochrane's point of order. In view of the fact that the hon. member only has one minute left, perhaps we should let him conclude.

MR. SIGURDSON: I'll try and conclude in one minute. I went to a different company, and they offered the same insurance package for \$1,800. So, indeed, the first company was wrong. What had happened, however, was that in Manitoba, for that same car with the same record, with the same kind of coverage, the insurance was offered for less than \$400. Out of that, there is a public corporation that has the intention of providing insurance at a reasonable rate. Surely to goodness, if we had that kind of system in Alberta, we could provide municipalities with low insurance rates. There, you see?

Thank you very much, Mr. Speaker.

[The Member for Bow Valley rose]

MR. DEPUTY SPEAKER: I regret to inform the hon. member that the time limit for consideration of this item of business has concluded.

head: **PUBLIC BILLS AND ORDERS
OTHER THAN
GOVERNMENT BILLS AND ORDERS
(Second Reading)**

**Bill 202
Clearwater Alberta Act**

MR. YOUNIE: Mr. Speaker, I must stress it is a source of pride that the first Bill I have introduced here as a private member's Bill deals with what I consider to be the most precious resource in this province. Although it may come as a surprise to a large number of people in here, that is not oil but water. If in fact I do not have a source of oil, I can turn to many other sources of energy. If I do not have a source of water, I have only one other choice, and that is to die. So I don't think we can contend that there is any resource more precious than clear and safe drinking water. That is why this Bill becomes so important and deserves very strong support.

As another illustration of how important water is to us compared to other things, some may recall that some time ago Jacques Hébert started a hunger strike in Ottawa and went for some 21 days without food, subsisting only on nice, presumably safe, drinking water. At the end of 21 days his health was in relatively good order. I would suggest that according to medicine, had he in fact decided to go on a thirst strike instead of a hunger strike, he would have been dead in less than a week and a half, and I would also contend possibly much sooner if he had held that strike in Edmonton during the spring runoff period.

I think we have to consider how very important clean drinking water is to everybody. To help establish the need for this Bill and the conditions set out in the Bill, perhaps we should look at some of the conditions that now govern drinking water in Alberta. I would not want to be seen as being totally negative towards the Department of the Environment. I have here a copy of what is in fact tested in drinking water in the province at the environment lab. As you can see by the very small print, it is not a short list. I would not accuse the government of doing absolutely nothing on the issue. I would stress, however, that on all of those items in all of these lists, dioxin is not mentioned and is in fact not tested.

If members aren't sure exactly how toxic and how dangerous dioxin is, I would point out that scientists have pointed out that one shovelful of dioxin dumped into Lake Ontario would make the entire lake unfit for human consumption. That is a construction spade, not an Alberta grain scoop. So we're talking about a pretty small amount of dioxin to render a very large body of water unfit for consumption. As I said, it is not a requirement that dioxin be tested, so it may well be in drinking water in Alberta and no one would know. I do not think that indicates that nobody cares. It's just that under present standards it is not required.

In Edmonton it was pointed out that chlorine dioxide is used to take phenyls out of water, thereby reducing health hazards. However, that substance produces two other chemicals in that reaction, those being chlorite and chlorate, and those can be quite dangerous to health. In fact, the country

of Denmark has banned that as a method of treating water, and the Toronto board of health has strongly recommended against its use. Again, there is a need for perhaps looking at new findings and updating standards.

In terms of a dangerous substance — and I'll try to pronounce it correctly — trihalomethanes are produced by a combination of chlorine and phenyls. That testing is done only once a month in the province, and in March 1985 the Department of the Environment lab admitted that the most recent results it had for testing were from the previous November because they were so backlogged on doing that testing. So in fact in some drinking water that substance may have been present from the previous November and testing would not have been done or kept up to indicate its presence. I think you can again see that there is definitely a need.

David Kirkwood was quoted as saying that:

The 1978 federal guidelines for Canadian drinking water quality are being [raised] to place more emphasis on organic contaminants, in line with the World Health Organization's new guidelines for 18 organic chemicals.

Alberta and some provinces use federal standards, while others have their own standards largely based on the federal guidelines.

According to the World Health Organization, even those more comprehensive guidelines are still insufficient because of new developments.

[Mr. Musgreave in the Chair]

Another expert on water quality, Ken Penniford, who was in fact Edmonton's former director of environmental health services, commented that:

Alberta's "Mickey Mouse" water quality standards should be re-examined.

The 1977 drinking water standards "are donkeys' years behind the times and I'm afraid it's time for another look at one of our renewable resources — water."

Mr. Speaker, another illustration of the dire need for looking into the matter and firming up our standards.

A study done by the Department of the Environment said that:

Edmonton, Calgary and nine other Alberta centres have high quality drinking water that rarely violates national standards.

I note, though, those are not the guidelines. Those are the less comprehensive standards. It was pointed out later:

However, there is no testing for phenols, which cause taste and odor problems in spring and early summer and react with chlorine [which we put in our drinking water to kill bacteria] to form cancer-causing trihalomethane.

Daily testing by the Edmonton water and sanitation department showed that phenol levels frequently violate the water quality guidelines in spring and early summer.

I would contend that the medical facts I quoted before show that the average Edmonton resident would be unable to curtail consumption of water for the period of the entire spring runoff. The results would be even worse than drinking the water.

A case where the Department of the Environment did in fact take action — and I would commend them on that — had to do with Ashmont's water, which was not filtered and not only had bacteria coming through with it but in

fact entire bugs. They carried bacteria inside them. The Environment department ordered them to clean up. I think the reason why I still use this to illustrate the need for Bill 202 is that that situation went on for years before finally coming to light, and the reason was that there wasn't an ongoing system of testing, but it was only done when a number of residents complained. Then the Environment department stepped in.

I certainly think we can illustrate there is a dire need for conditions outlined in Bill 202. The needs are, first, to determine what constitutes safe drinking water and to devise a set of standards and test procedures to ensure that the drinking water of the people of this province is indeed safe. Another need is to keep up on an ongoing basis with water quality and health dangers and to revise those standards as required. What we set in 1986 as the highest possible standards would not be good enough by probably 1989 as new developments in science create new dangers. Thirdly, to require that anyone who supplies water to Albertans must conduct monthly testing. We think that is absolutely vital, Mr. Speaker. Fourthly, to ensure that water supplied to Albertans is clean and safe for them to consume. I contend that at present Albertans often really can't be sure when they turn on their taps that that relatively clear fluid is in fact safe and clean.

We have suggested a number of things in Bill 202 that would ensure that these needs were met. The first is to establish a water resource conservation board, which is outlined in sections 4, 5, and 9. The purpose of that water resources conservation board would be to hold public hearings, to get the widest range of public input on the issue, and to compile that into a report for the minister and the Lieutenant Governor. Through Bill 202 we would also establish a water advisory council, as outlined in sections 10 and 11. The purpose of the water advisory council, Mr. Speaker, would be to analyze the findings of the board and the report it made; to relate those findings to the latest, most comprehensive, and most detailed scientific research on water quality, water contaminants, and all related matters; through that study to establish standards for what is considered clean, safe drinking water for human consumption; and then to continue ongoing research in the area so that as new scientific developments, new industries in the province, and new products being put in landfill sites and so on add new contaminants, procedures could be established for removing those from water and identifying them as dangers.

[Mr. Deputy Speaker in the Chair]

Its job would also be to advise the minister, who would in turn advise the Lieutenant Governor in Council to establish regulations, monitoring, and testing systems to maintain the highest possible quality of drinking water in the province. To do this, the Act would also require that any supplier of water — and what we deem a supplier of water is carefully outlined — would be required in law to conduct monthly tests on the quality of water he is supplying to people. It would be his responsibility to do that testing, and then not only to send the results of that to the Minister for the Environment but to also make those results available to any consumer of his water through his system of supply. In fact, wherever his tests indicate that he has violated any of the standards for clean water, he would be required to publish that fact and to notify all consumers on their next bill or communication from the supplier which contaminant or which regulation had not been complied with.

When the minister saw there was in fact a present danger to those consumers, he would then order that supplier to do two things. One would be to take the most immediate remedy possible to clean up that water supply. The other would be to provide an alternate supply of water for those consumers until such time as that supply was cleaned up. As I said, it is not a very long period of time that one can forgo the luxury of having a drink of water; in fact, not very long at all in here.

Another purpose of Bill 202 would be to enforce compliance with those standards of clean water. I would think that from a free-enterprise point of view, we've outlined a very reasonable method of forcing a supplier; that is, to punish him economically. If he is going to sell water, it must clean. If it is not, then he should be convinced of the necessity to comply, with a fine. We have recommended up to a maximum of \$50,000, where his noncompliance concerns contaminants that would endanger people's health, and up to a \$25,000 fine for other contraventions. That would include failure to publish results or make results available to the minister or to consumers.

I would like to stress — although the Minister of the Environment is not here at present, he has indicated to me that he is a very sensitive person. So I would like to make it very clear to present and past ministers and all other members of the Assembly that we are not trying to accuse any member of government of intentionally trying to poison Albertans with their drinking water. If that is being done, we assume it is totally unintentional. We hope that stays the case even in ridings that have elected New Democrats as well.

I would in fact contend that the problem and the inadequacy of our standards — and I contend, our standards are terribly inadequate — are not the result of negligence at the time they were drawn up. It is the result of scientific developments, industrial developments, and I would say especially developments in the petrochemical industry. Those standards no longer apply. That is why Bill 202 does not just say to draw up some new standards and 15 years down the road still be using them, but in fact, we would have ongoing research, ongoing development, and ongoing modification of the standards so that at all times in the future, the standards and the drinking water set by those standards would be safe for consumption within the province.

From that point of view, I would say that we are not trying to hint that support of this Bill would be an admission of previous fault on the part of anyone, but merely an affirmation of a desire to look at a present danger to Albertans, to look at a present situation, and to take a present remedy which would continue to be very effective and very good for the people of Alberta into the future.

On that basis I would urge all members on all sides of this Assembly to support this Bill and do something very good for the drinking water of Albertans.

MR. TAYLOR: Mr. Speaker, in rising to speak in support of the Bill presented by the Member for Edmonton Glen-garry, I'd like to first compliment him on bringing an issue before us that I feel is probably one of the principal issues in the province. We make much of our oil and gas, we make much of our land, but if there's any limit to growth in Alberta, it is supplies of water.

To give a brief background, I have spent a great deal of my life working in the Middle East. I'm a geologist and now a marine geologist and have worked in the fields of finding water. I'll admit that to date it's mostly been salt

water, but I've worked a lot in areas for fresh water. One can't help, Mr. Speaker, as one travels or flies from Europe across the old areas of the Tigris and Euphrates, the old Garden of Eden, across Iran, and into the north of India and China, the so-called cradles of civilization where our people immigrated into Europe and where the so-called Aryan tribes started, when you look at where civilization started and what the land looks like today, it's been their lack of water management, their lack of perception of how important water is.

If you go to the rich countries of the Middle East today and offer them the choice between 10,000 barrels of oil a day or 10,000 barrels of water a day, you have no question. They'll produce oil in great amounts in order to try to devise schemes whereby they can tow glaciers up from Antarctica to melt and turn into fresh water. So fresh water is something we have. Maybe because of the earlier days with it coming off the mountains, we've developed a disdain for it that isn't fitting. If we sit there and analyze just what our future will be down the road and the way we are using our water — I'll admit it was driven home when I was a child. I was raised in southern Alberta, which I notice many others were, and water was very, very short. The Member for Cypress-Redcliff can back me up on this. He is a little younger than I am, but with my age, if you had an old sheepdog that had looked after things for 10 to 12 years, you would load it into the truck at Bow Island and drive 70 miles to Lethbridge just to show it a tree before it died.

This love of water and what it could do was imbedded in my thinking very quickly and very early. Today when we look at water I think we have a tendency to think it might go on forever, but I'd like to point out a few things about water to the people here in Alberta. One of the things is that we have signed an agreement with Saskatchewan that we let 20 percent or so of the waters that flow into Saskatchewan go through to Saskatchewan, I think it was a fairly nice thing to do. After all, we should let them have some water when our air pollution control policies primarily consist of building our smokestacks tall enough so that our pollution won't come down until it's in Saskatchewan. The least we could do was offer them some clean water.

But the point is that the rivers that flow into Saskatchewan — the North and South Saskatchewan, the Bow, and all that — have only 20 percent of our water in Alberta. Eighty percent of our water lies in the Peace River and Athabasca River that flow to the north. So the south is in very, very grave danger of running out of water. I know the government over on the other side has consistently said they are not proposing a transfer-of-water scheme. I don't care whether or not they're proposing it. They are going to have to. The point is that we are putting the population and the industry into the south. We're going to run short of water, and then the government of the time — whatever it'll be; I'm sure it won't be the government we have now in power. The government of the future will have no choice but to start diverting water or piping water to the south, because with 20 percent of our water in the south, we have 80 percent of our population.

We are not even making a modicum of a movement in the direction to save water. I'll give you a few examples. We put over a million barrels a day of fresh water down oil wells chasing oil out of the ground. We don't have rules like they do in Saskatchewan and most areas of the world that I've operated in, where the only water you're allowed to put down an oil well to chase out oil is fossil

water or water that's nonpotable or nondrinkable. We often take fresh water and put it down our wells, and over a million barrels a day of it disappears in the consumption loss. Admittedly, some of it comes back. We recycle it too, but over a million barrels a day of Alberta's fresh water disappears down wells to push out a nonrenewable resource like oil. That has to be the most extravagant, foolhardy, and shortsighted policy we could possibly follow.

I'll go on to another step. I don't think many people realize that Fort McMurray, which is supposed to be the result of one of the richest governments known since the time of the pharaohs combining with one of the richest and largest corporations in the world known as Esso, putting through a modern town with every facility and every engineering advantage known to mankind — yet the Indian people that live 55 miles downstream have to have their drinking water trucked in to them. What a shame that we can't even look after our own industrial processes to the extent that that water is cleaned up.

I can go on in a number of areas. One couldn't eat fish out of the Bow River for quite a few miles downstream. As a matter of fact, a standard Calgary joke when this government was elected in '71 was that only the Premier could walk across the river. Now anybody can, it's so polluted down there. When one bears that in mind and what we're doing to our rivers, what little we're doing to clean them up, you can't help but wonder: what kind of motivation do we have here? How shortminded we are. Are we like those people that lived on the Tigris, Euphrates, Ganges, and the rivers in northern Iran that decided to let erosion go and pay no attention to fresh water? Are we ourselves creating a desert down the road? Are we going to be begging for water out of the Territories or out of the north down the road to try to keep our civilization around, within the memories of our own people, because we have paid no attention to fresh water and the generation of it?

By the way, if I can say one thing else on Fort McMurray. If one thing was driven home to me in Fort McMurray, it was the fact that if you really want clean water in this province, you have to tell the cities and towns that they have to take in their drinking water within 200 yards downstream of where they dump their sewage. You would be surprised how that'll clean up our rivers. Instead, we allow them to take their water in upstream and dump their sewage downstream and pray to the Lord that the microbes and something else will clean the water up before the next town has to take it in. If we had a policy where they had to take their water in 200 yards downstream from where they dumped their sewage, we'd have the cleanest looking streams you would see anywhere in the world.

MR. WRIGHT: You mean it the other way around.

MR. TAYLOR: I'm sorry if I've made a mistake there. They have to dump their sewage upstream from where they're taking in their water because then the sewage would be clean. It would be treated, it would be tertiary, and there is no reason why you can't recycle your sewage so it's drinking water. Even the city of London is now catching fish upstream from a point where they haven't been able to do so for nearly 400 years. I think you can back that up. So there is no reason that water can't be cleaned up. Any sewage that goes into the rivers and streams can be cleaned before it goes in.

We have the Energy Resources Conservation Board, a rather confusing nomenclature. The resources conservation

board is very much like the word "Progressive Conservative." It goes forwards and backwards at the same time. We're dedicated to selling our resources, not conserving them. I don't think they can be relied on to make the proper regulations and controls to look after fresh water. They are interested in exploiting our natural resources. Very well; they have a right to be. But we're silly to ask them to look after fresh water and actual conservation practices. They are interested in getting as much oil, gravel, or whatever it is nailed down in Alberta out of the ground and sold at a profit on the high seas. The member's argument that we should be looking to another type of board to look after water independent of the Energy Resources Conservation Board is a very good one indeed.

Finally, Mr. Speaker, if I may conclude with respect to water use and water conservation, we have not even started to scratch the surface on what our water levels are in the subsurface. You can go about this province and in nearly any library find out how much oil, gas, and gravel you have, but you cannot find how much fresh water lies in our subsurface tables. You cannot find fresh water contents of how much water we have at different levels, how much is contaminated, what the chloride content is, and what the sulphate content is as you go down. But if you want to know about oil and gas, you can find anything. I submit to the representatives in the Legislature: what's more important? How much gas lies down there at 1,000, 2,000, or 10,000 feet, or how much fresh water lies within that first 1,000 feet of the surface where it can be used, how fast is it being depleted, and is the water table being replenished at the rate of withdrawal? These statistics are absolutely missing if you go to look for them today.

Mr. Speaker, if I may conclude. This Act doesn't go far enough, but it is a step in the right direction. I want to compliment the Member for Edmonton Glengarry for presenting it. Thank you.

MR. PIQUETTE: I would like to speak in favour of Bill 202, the Clearwater Alberta Act. I was told by one of the members that I should start this debate in French, because the Tories understand the word "dough" and water in French is "de l'eau." However, what I'd like to do in terms of speaking in support of this Bill is to point out some of the examples. Some of them have already been pointed out.

I have a friend that has a trapline up around the Fort MacKay area. Lo and behold, last fall I was very surprised that we were not able to take any drinking water from the Athabasca River, which is downstream from the Suncor and Syncrude plants, because we could see the film of oil and the smell originating from that water approximately 10 miles downstream from the plant. We were talking with the native people there, and they were basically complaining about what the Member from Westlock-Sturgeon was mentioning: the pollutants existing in the water. They also had worries about the whole fishing industry in the Athabasca River.

Other examples in the native communities can be found throughout northern Alberta. For example, the lack of care we take in terms of drilling for oil and gas, where a lot of the open pits remain open in the vicinity of native settlements. Very often the people who are used to taking clean water from their streams and their rivers are now taking polluted water from many of their streams and the villages nearby.

Another issue that I've also been made aware of in terms of the clean water situation in Alberta is found in

the summer villages, which are sprinkled throughout the provinces and the beautiful lakes in Alberta. For example, we have permitted our summer residents to drill wells and to also dump their sewage near the shores of our lakes, where you have pollutants which would not be permitted anywhere else draining into our lakes. Many of these lakes, for example, are the source of water for towns like Lac La Biche and Beaver Lake, where they take their water from the lake. We have open drains from septic tanks nearby which are draining into the lake. So these are very important issues that have to be addressed if we are going to be looking at water quality. But we also have to be looking at what we allow to enter our lakes, rivers, and streams. Up in the Beaver Lake area, for example, the government has taken some action in terms of providing another source of water, but they still have not made it mandatory that septic tanks in summer villages be of a pump-out nature only and that the septic tanks should not be allowed to be discharged on the shores of our lakes or near any type of public facility.

Another example which adds to the pollution of our lakes and streams and even in terms of farmers' wells is the spraying of roads with oil. This has been identified by Environment as a major problem. Again, by summer villages as well as in the nearby farming community, you still see oil used for dust control. A lot of this is leaking into our streams, rivers, and lakes. Again, a lot are drawing this water supply back into their homes in the rural communities.

Boats are another area I am very concerned about. My parents-in-law live up in Glendon, and they draw their water from a lake called Minnie Lake. Every weekend you go there, you will see hundreds of boats, inboards and outboards, which discharge oil. I've got a motorboat, and I know what the situation is. You put your motor in the water, and lo and behold, you have a stream of oil or gas going into the lake. Now this same water, which is being polluted by these hundreds of boats on weekends, is also used by the towns and villages in the area to supply their own water. Now what are we doing to address some of these issues today? I know the towns' fluoridation systems are not taking this pollutant which is brought in by the discharge of septic tanks and also the inboard and outboard motors discharging on the lake.

Another area we have to explore is the whole area of herbicides and insecticides. Today our whole agricultural industry, because of low prices and the lack of fair return on products, is basically forcing farmers to mine their fields. We basically have a mining industry in the agricultural community today. In order to produce whatever little return or profit they are entitled to, they must freely apply without looking into the whole long-range aspect of the result of herbicides and pesticides, which are sprayed onto our lands and then leach into our water supplies. Again, what are we doing to clean that up when we are affected by that pollutant? We haven't addressed or studied that in terms of what the long-term effects are of these pollutants in our environment into our water supply.

When I also look at the Alberta fertilizer plants' waste water effluence guidelines — and I think they're very similar in a lot of our plants that exist in Alberta. You also find that the guidelines are not very strict. We allow too much discharge, even though we have to say there's been a lot of improvement. We have to balance the environment and the creation of jobs. However, when we look at our emission permits, they are much higher than a lot of European countries in terms of allowable limits. I would like to point out, for example, that in steam stripping:

the control technology for the treatment of process condensates consists of steam stripping to achieve 80-95% ammonia removal.

Now 80 to 95 percent is quite a big range.

The 30 day average concentration of 80 mg/l is the allowable emission discharge of residual ammonia contained in stripped condensate bottoms water.

We take a look at the kind of tonnage which these plants are producing, and we are releasing an unusual amount of ammonia into our environment and into the water tables of Alberta, because a lot of this water very often gets back into the whole circulation.

In conclusion, I would like to wholeheartedly support the clear water Bill as introduced. Perhaps a lot of other research has to go into the effects. The water quality we have in Alberta has been taken for granted in the past. It is time today, if we're going to be looking at the preservation of the most important resource in this province. As was pointed out, in a desert area the whole advance of civilization is dependent on the source of good water supply, and unless this resource is protected very vigorously by this government, down the line our children and our future will be at stake.

Thank you very much.

MR. KROEGER: Mr. Speaker, about once every four years I feel the urge to make some comment. This is probably the time for this four-year term.

I was disappointed by the proponent of the Bill in that he stopped short of reading all that was in there, specifically section 16, which I think he thought would flush me out. It has, but not for the reasons that he might have thought when he put it there. It says something about disbanding the Alberta Water Resources Commission, which of course implies that I'd be out of a job.

However, my reason for the disappointment that he didn't read it out is quite different. I've been waiting for about four years for an opportunity to talk about the commission and what it does, why it's there, and so on. He has finally given me that opportunity. I'll back up a little, Mr. Speaker, to see how we got into the mess that he implies. By the way, I don't quite understand the designation of "clear" as opposed to "clean." I've seen water as clear as that is that wasn't fit to drink, whether it had vodka in it or acid. It could be clear but not necessarily clean. So the designation of "clear" mystifies me a bit.

Being able to go back a little further than anybody else in this House, I'll take advantage of that. I don't go back quite as far as the term that I'm going to describe, which is roughly 1885 when the province was being settled. Essentially, this area was one large farm. We didn't have any urban centres; we didn't have any congestion of any kind. People came and settled on this open area. What was the first thing they had to do? Well, they had to dig a hole in the ground. They didn't have any drills. They dug a well in the ground, and whether they went down 10 or 50 feet didn't make much difference. By the way, I did that. It was usually a four-foot square hole in the ground followed with something called a curbing made out of two-by-sixes, or whatever. You would go down there, and this would follow you down, and the stuff didn't fall on your head. I can tell you that when you get down 40 feet and look up, that looks like a long way up and the hole looks pretty small at the top.

However, you did something else, Mr. Speaker. You dug a second hole. You can visualize a farmhouse in the middle of a yard. You went over there and dug a hole for

the well. Then you went over here and dug a hole for sewage. That one wasn't nearly as deep, about six or seven feet would take care of that one. But you made sure that the two were well separated. On top of this hole you usually built a little shack. Some people cut a little half-moon in there to tell you what it was. Then you'd put a seat in there and cut a hole in it. I'll leave the rest to your imagination. That was the average, because most of the settlement then was done by single men. However, when women started to arrive, they got a little fancier, and sometimes you had a two-holer. It indicated an expansion. If you were really flush, you had a three-holer. The three of you could sit in a row in the shack and read the Eaton catalogue.

The water you were dealing with at that time was as pure as it could be. It was down in the ground, and practically all of the water we used came out of that hole. It was fit to drink in most areas.

We'll jump about 60 years. By the way, I remember being in Calgary when they still had outdoor plumbing, and they still had the odd well in the backyard. Eventually, by stacking people higher and higher and the concentration that was there, they had to come up with a better idea. The better idea, of course, was to use rotary pumps instead of the old pump handle that we knew something about. They had electricity to drive this. Pressure pipes came in, and then we decided that this was a very convenient way to go. In any case, you had indoor plumbing. But you went from an average use of about two gallons a day per person to about 100 gallons a day per person. That began to change the scene.

But we did something else that's even a lot stranger. Remember, I said that we had the well over here and the outhouse over there, and we kept the two as far apart as we could. When we got really modern, we didn't do that anymore. We took the water out of the river and ran it through ourselves and then dumped it back into the drinking water. We put it back in the river. We now combine the two, probably out of necessity, but that's what we did and that's what we do.

The other thing that happened, of course, is that you don't get this clear water from underground anymore. You now get it out of a river basin. Practically all the water for municipal, industrial, and irrigation use, et cetera, comes out of a basin. In southern Alberta we have the South Saskatchewan, made up of the Red Deer, the Oldman, and the Bow. The rivers are in the low part of all of those areas, with tributaries of creeks leading into them. All that surface has a contamination, whether people live there or not. You have animals walking around, and when it rains the water flows, and it washes that into the streams. After the water leaves the mountains, it isn't clear anymore — or clean, as I would prefer to call it. Automatically, of course, we start by using unclean water for our own use.

This has to be contended with. We don't have that luxury anymore of starting with this clean, clear water. There isn't any way we can go back to those things we did in those days. I understand all of that, and that in part relates to what is in Bill 202. Certainly, however, any suggestion that the problems of clear or clean water aren't being recognized and addressed simply isn't so.

I want to swing away to the second half of this, because I do want to spend a little bit of time on the commission, as I warned you earlier. Why a commission? There are seven departments of this government that deal in water and water management. The commission then might seem

to be redundant because it seems to be pretty well covered. The reason I got involved in 1979 is that I come from the driest part of the province of Alberta. That's the Hanna, Oyen, Consort, and Coronation area. The Member for Edmonton Calder might remember what it's like there, before she came to the bright lights. In that area it really didn't rain to mean anything from 1929 to 1939, so somebody decided that it should be called a special area. The only thing special about it, of course, is that it doesn't rain very often and that the groundwater is very bad. Consequently, people started to leave in droves. The average size of a farm in that area now is four times as large as the average in the rest of the province because of the dry conditions. Economic development, of course, is almost impossible, for reasons I will touch on in a minute.

We are now talking about water, not clear water but water in any form. I can tell you that you don't know much about water until you don't have any, as you don't know much about food until you don't have any. On that one specifically — which has nothing to do with what we're talking about, Mr. Speaker, but for those members, particularly the Official Opposition who are always pointing at poverty — I can tell them that I spent two years on the other side of the world, from age seven to age nine, getting one bowl of bean soup per day. I can tell you what the lack of food means.

Living in this water-short area and realizing that government was covering all the bases with the seven departments that were there, I nevertheless thought there should be a co-ordination of water management, with no criticism of the departments, because there are very able and capable and sincere people in all these departments who are doing those things that are assigned to them. In 1979 I had permission to set up an advisory group on water management to the Lieutenant Governor in Council. That group consisted of Dr. Gunning, who had then just resigned as president of the University of Alberta; Dr. Grant MacEwan, whom you would know; Justice Emmett Hall; and Justice Porter from Calgary. We went into the process of looking at how water was managed in the province and reported to the Premier on our findings.

When I left Transportation in 1982, I got permission to set up a commission to follow through. But the Premier then made it very clear that I wasn't going to be talking about special areas. If I wanted to get involved in water management, it had to be provincewide, and the terms of reference were set out. Let me quickly give you the four functions of the commission:

- (a) to assess and review long-term water resources planning by the Government of Alberta in relation to agricultural, economic, community and environmental factors in Alberta;
- (b) to undertake evaluations of specific short-term and long-term projects affecting the water resources Of Alberta and to advise the Lieutenant Governor in Council accordingly;
- (c) to monitor intergovernmental negotiations affecting the water resources of Alberta and to make recommendations as to the public interest of Alberta in that regard;
- (d) to advise the Lieutenant Governor in Council respecting the exercise of any of his powers under legislation of the Province of Alberta pertaining to water resources and, generally, to advise the Lieutenant Governor in Council on the policy of the Government respecting water resources.

I would suggest, Mr. Speaker, that that is a fairly wide-ranging assignment to be replaced with the council and board described in this Bill.

I will take another few minutes and talk about water itself. What is it? How important is it? The Member for Westlock-Sturgeon made some comment about it, as did others. In my mind, water is the most important resource we have. Secondly, Alberta has a lot of it, but it is not necessarily properly distributed. I'm not going to go inter-basin transfer route at all, but it isn't necessarily properly distributed. I have to take issue with the Member for Westlock-Sturgeon. He got a little sloppy with his numbers. The actual amount of water which goes into the Arctic is about one hundred million acre-feet: 87 percent of the water that rises in Alberta is what that amount means. Thirteen percent is in the southern half of the province. The middle of the province is not Red Deer; the middle of the province is just below Athabasca. But even then, only 13 percent exists in the south, half of which — 50 percent, sir — has to go into Saskatchewan by interprovincial and federal agreement. So that leaves 6.5 percent of the existing water in the province to be used by not 80 percent but 90 percent of the people that reside in the south half of the province.

MR. TAYLOR: I was understating it to make it easy for you.

MR. KROEGER: Well, I really wasn't asking for any help. As long as you're going to give information, let's give it right.

Now, what do you do with this stuff if it's so important, there's so little of it, or it's in the wrong place? What is really so important about it, apart from the fact that you drink it sometimes or wash in it? The fact is that you can't do anything without a water supply. Whether it's clean or dirty, you have to have it. So quantity is what you start with, and then you look at the quality afterwards. We can't get very choosy about that down where I am. It's a matter of getting any at all.

But let me give you some suggestions. I'm sure there are some cattle raisers in this room. If I were to ask you to give me a guess on how much water it takes to produce a pound of beef I doubt very much anyone here would come very close.

MRS. CRIPPS: It depends on . . .

MR. KROEGER: You can stay out of it, because I've told you. I won't tempt you because the time is short. It takes 3,000 gallons of water to produce a pound of beef and we produce 43 percent of the beef in Canada here in Alberta. There isn't much water in steel, but it takes 30,000 gallons of water to produce a ton of steel. We're building a paper mill now, and that paper mill will use as much water every day as the cities of Edmonton and Calgary combined. So think about the importance of water when you talk about economic development.

Therefore, I suggest to you that before you decide to throw the commission out, I think there's a little work left to do. I can assure you that from a monetary point of view, if I want to take my pension, I'd do better than I do on the pay that the commission gives me, so I don't have that vested interest. I suggest, Mr. Speaker, that I will leave it there, and I hope I've raised some thoughts for you.

MS BARRETT: Mr. Speaker, I'll try to keep my comments confined to about three minutes. To the hon. member across, it wasn't that we were trying to put the member out of a job. It was that we assumed the good parts of the water commission could be absorbed into this Bill.

Given the time constraints, I'd just like to comment on section 8 of Bill 202, which points out that the water supplier in turn has the right to recover damages caused by contravention of this Act, which basically means that there's an economic incentive for all social participants to abide by the regulations that may be forthcoming, following a very democratic process, I might add. So it's not that any particular province or municipality would have to sustain an endless stream of fines under the provisions of this Act, rather we would now provide an incentive for those who pollute our waters to behave as good citizens, realizing that in great part, Mr. Speaker, many of those would be corporate citizens. That kind of initiative would help to reduce the number of certificates of variance that various producers may apply for and receive.

I would like to point out, too, that under the provisions of this Bill, municipalities would be forced in the long run to look at water intake. Rather than ask themselves a question, as we do every spring here in the city of Edmonton when we taste our foul water and we wonder whether or not we're going to get beaver fever from it, they finally put the question in proper perspective. Are we going to move our intake pipe upstream of the pollutions or the emissions going into our water supply, which would obviously be a very expensive proposition? Or are we going to start looking at the matter of prevention? In matter of fact, this Bill is really designed to prevent excessive water pollution, to look after the best interest of everybody.

Again, municipalities would have to look at the serious need — which I'm sure they recognize at this point, given the Federation of Canadian Municipalities — for upgrading our sewers. We have problems with our sewers overflowing, and when they do that they go into catchments which then spill into the water supply sources. This in turn requires an awful lot of additional chemicals, and people ponder new processes for filtering and cleaning our water. If we were taking care of the problems behind what appear to be the problems, we might in fact be looking at a more systematic approach to keeping water clean and safe for Albertans.

That's only the beginning of my comments, but given the time, Mr. Speaker, I move adjournment of this debate.

MR. DEPUTY SPEAKER: Having heard the motion by the Member from Edmonton Highlands to adjourn the debate, could all the members in favour of the motion please say aye?

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those in favour please say no? The motion is carried.

Before we proceed, I would like to make a comment. I have noticed members nodding to the Chair. I don't know whether they're being friendly or if they wish to speak. I would suggest that we continue in the tradition set by Speaker Carter that members wishing to speak in debate please rise and be recognized.

MR. HORSMAN: Mr. Speaker, this evening it is proposed to deal in Committee of Supply with the estimates of the

Department of Advanced Education and should those be concluded, the Department of Economic Development and Trade. I would therefore move that when the members assemble this evening, they do so in Committee of Supply and that the Assembly stand adjourned until such time as the Committee of Supply rises and reports.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. Deputy Government House Leader that when the Assembly reconvenes tonight it will be in Committee of Supply, all in favour please say aye?

HON. MEMBERS: Agreed.

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

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

head: COMMITTEE OF SUPPLY

[Mr. Gogo in the Chair]

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

We'll be dealing tonight with the Department of Advanced Education. Before we get started, two points. One, as this is the first day of supply, it might be helpful to the members if we very quickly mention a couple of points that are relative to the rules of the House. The same rules apply as apply in the Assembly. It's informal. Members get comfortable. They can ask as many questions as they wish. It's normal for the minister, on introducing his estimates, to make comments, in which case members can then respond or ask questions. Members will only be recognized if they're in their seats. I recommend an indication to the Chair if you're interested in commenting. We'll get your names on a list, and we will attempt, as far as possible, to call them in that order.

Because we're dealing with some new documents and it's the first day of supply, the hon. Provincial Treasurer is prepared to make some comments relative to the material that's required and why it's a little bit different, based on April 10 and on June 16. Mr. Provincial Treasurer, would you share with the committee what documents they should consider, please?

MR. JOHNSTON: Mr. Chairman, I thought it might be helpful, so we're all dealing with the same information, to in a small way explain some of the transactions which are before us. I would take a second to walk us through the documents and the filings and the messages from the Lieutenant Governor that we have dealt with.

The fundamental document was received in a message today, and that's the Government Estimates document, the working papers on Committee for Supply. This program, except for vote 1, is reduced to the program level. The subelement level, of course, is done in the other binder, which is the Government Estimates and Details.

Before I go further, let's just be sure we have the total inventory of documents before us. The next item is the Legislative Assembly document. This document will be revised once the committee is put forward and can bring

down some additional estimates, but at the present time this is the Legislative Assembly document.

We have a Capital Fund [Estimates] document. That will be of importance this evening when you consider Advanced Education, because, as you well know, the new funding of Advanced Education and Hospitals provides for a funding approach which transfers assets, through the universities and colleges in this case, out of this fund, and the budget provides for a transfer into the fund as a statutory cost.

The other documents we're dealing with are the Government Estimates which were tabled on April 10, 1986. The only reason these are important is to show that there is continuity between Lou Hyndman's budget and the budget I brought down. Of course, in it as well were the supplementary details or the elements.

In this document you'll find the record of the special warrants for 1985-86. If there's any interest in that, that is recorded in this document as well. But for all intents and purposes we really do not need this document, except to show that the reconciliation between the reorganization and additional expenditures, which we brought down by way of budget, have been covered.

Let me now look at what I consider to be the important document. This is the [1986-87] Estimates Update. This document is the road map document. In this document, we show two important items. Number one, we show the way in which the reorganization of government has taken place. In the case of my colleague Mr. Orman, for example, it will show how his department was developed or changed. In the case of my colleague Mr. Shaben the same thing is true. There were five departments which were not affected by any adjustments, and those, of course, are carried forward in the normal way.

Secondly, in this document are the additional expenditures, which are included in my budget as well. A separate page here, as to each department and by votes, is also, therefore, carried forward into the so-called working paper document, or the loose-leaf document, which you have before you. In the back of this document in section 3 is the road map I referred to which reconciles all the dollars between departments under the reorganization scheme.

Briefly, Mr. Chairman, in this document we have all the information consolidated for the use of the members. This, as I said, was the document which we received today under the special message. Inside, in the case of Advanced Education, Advanced Education was one department where there were no changes in terms of the two budgets. But we should be aware that under the Advanced Education department, for example, departmental support services, vote 1, is reconciled at both the program level and the element level in this book. As well, in this book further details are provided with respect to the element levels of the other votes in the budget.

Secondly, in dealing with Advanced Education you must also factor in or deal with the capital fund. Capital fund estimates: as you well know, this legislation has not been passed yet or brought into the Legislature and will be brought as an amendment to the Financial Administration Act. But the expenditures in capital are there as well.

In the case of a department where there were both changes in terms of reorganization and changes in terms of extra expenditure, those pages have been provided for you in this document as well.

Mr. Chairman, I think it's fairly straightforward once we understand what documents we're working with. Of course, as you well know, the percentage calculations here

reflect the reorganization as well, so that any estimates which are comparable on the basis of '84-85 or '85-86 reflect the reorganizations we're now dealing with in terms of the government operation.

If there are other questions, Mr. Chairman, I'd be glad either to deal with them now if possible or if necessary have someone from my department provide assistance in a more detailed way.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you very much, Mr. Provincial Treasurer.

Department of Advanced Education

MR. CHAIRMAN: Mr. Minister, would you care to make some opening comments?

MR. RUSSELL: Mr. Chairman. I feel that it's a special night tonight, getting up in the First Session of the 21st Legislature, with a new Premier, a new government, a new Treasurer, new opposition, a whole bunch of new faces, and some new parties represented. I think it's going to be very enjoyable. For that reason I thought it would be good to take a minute or two and comment on how the department budget fits into the general fiscal policy of the government and how we got to the figure we're getting here tonight.

First of all. I remind the hon. members about what the hon. Treasurer's budget did — four very important basics. It maintained the overall programs. We know we're in a period of decreased revenues and a worrisome time about the state of the economy, but there are some important policy decisions incorporated in here which do affect in a very major way the programs of Advanced Education. We're maintaining all our ongoing programs, the services to people. I think that's important, that nothing is being cut. In addition to that, of course, there is special assistance, particularly to the agriculture and energy sectors. There is our ongoing program of a reduction in manpower and manpower control. All this is being done with no tax increases. We're maintaining Alberta's position at the lowest level of taxation of any province in the country. It's against that broad background that I'm going to outline some reasons I think it's reasonable for this Assembly to give approval to roughly \$1 billion in estimates for purposes of postsecondary education.

The history of how we got here is kind of interesting. I recall so very vividly sitting right over there, about where former Alderman Hawkesworth is now sitting as the hon. Member for Calgary Mountain View. I was a retired alderman from the city of Calgary. The Provincial Treasurer at that time stood in his place and delivered the first \$1 billion estimate in the history of the province of Alberta. That was a real milestone, a real stepping-stone. It was only a few years later, I think in 1979, that I got up as Minister of hospitals and introduced the first department budget to exceed \$1 billion. So not only had government expenditures accelerated to that degree, but we already had a department that had reached the \$1 billion mark. Before I left that portfolio — a short time span — we were nudging the \$2.5 billion mark. These are big figures and a tremendous acceleration rate and growth rate, and that's why I'm repeating them. Lo and behold, here I am tonight introducing the first \$1 billion budget for Advanced Education. I don't know if I'm in a rut or not, but I seem to be in that \$1 billion bracket wherever I go. During that period — I've

mentioned on purpose those big numbers and the rapid rate of growth, because that all took place over a period of 15 years.

But some other things happened too. There was an incredible program of debt reduction during the same time, over \$1 billion to municipal governments of debt retired; tax reductions at all levels, whether income tax — corporate or personal — property taxes, fuel taxes, you name it; a massive program of capital investment across the province. Those of you lucky enough to travel to other parts of the country I think will recognize that Alberta's transportation network, educational facilities, utilities system, environmental control programs, senior citizens' facilities, and health care facilities rank in a capital way at the top of the line. So we're proud of that achievement. Unlike the record of the federal Liberals during that same period, when deficit after deficit and a record high level of debt was piled up, we find ourselves with a government and a province that's in an extremely strong position.

I think that was due to a combination of circumstances. We were very fortunate and got a lot of resource revenues. Unlike other jurisdictions in the world, however, we didn't blow them. They were well managed. We find ourselves today with the best credit rating of any government in North America and with an incredible savings fund called the Alberta heritage trust fund. Those two things are the tools that will allow us to go forward in the manner I've outlined, with assurance and strength.

Not many people, I'm sure, realize it, so it bears repeating. The investment income alone from that heritage fund each year is equivalent to a 7 percent sales tax for the citizens of Alberta. That's just one of the benefits that we do enjoy. Many people have said to me, as I'm sure they've said to other hon. members, "What's the trust fund ever done for me?" It flows through every aspect of government service, with that incredible contribution of \$1.5 billion a year into the general revenues of the province.

Specifically with respect to Advanced Education, Mr. Chairman. [interjection] Yes, I knew you'd be interested in that little refresher.

AN HON. MEMBER: It's good for the rookies.

MR. RUSSELL: Yes, it is; it's good for the rookies. Now let's talk about Advanced Education. I mentioned earlier that I'm asking Assembly approval for roughly \$1 billion.

AN HON. MEMBER: Give or take.

MR. RUSSELL: Give or take, yes; just over \$950 million for operating expenses to keep our facilities going and to maintain our programs of student assistance and just over \$51 million in the new capital debt fund to maintain an ongoing program of capital facilities. Those operating funds I ask for will maintain all existing programs, pay for the new ones that have been approved and, in addition to that, accommodate what we believe is going to be across the system about a 2.2 percent increase in enrollment. It's a pretty interesting system. I learned a lot of interesting things when I got into it, and I'll just touch on highlights of where that money will be spent.

The system itself does four important things by way of direct job training or retraining, direct postsecondary educating or re-educating or upgrading, significant activities in research carried on at our postsecondary institutions, and what's called adult education or, sometimes, recreational

education. That's becoming a very significant part of our postsecondary education system. I was startled to learn that Alberta has the highest percentage of adults enrolled in its postsecondary education. Roughly a quarter of the population of Alberta is involved in postsecondary adult education. That's the highest of any province in Canada, and when I heard that I thought it was rather a startling statistic.

These activities are carried out in a variety of facilities: four universities, ten colleges, three technical institutes, six schools of nursing, two fine arts institutions, six specialized provincially operated centres, six consortia, and 85 further education councils. In addition, there are the four private colleges, which have affiliation agreements with institutions and are working toward degree-granting status. So it's quite a system. It's fairly unique because it reaches out into a variety of communities. It uses communications networks and transportation to bring services to students, and it involves a great array of services. It's a pretty neat system.

I knew hon. members would be interested in comparisons of how Alberta does with respect to other provinces. I think it's important that we try to maintain our place in the delivery of these services at the top or near the top. I have some interprovincial comparisons. First of all, in the field of student support on expenditure per capita or expenditure per student, Alberta ranks first and second: \$173 per capita ranks us first of any provinces, and \$7,490 per student ranks us second. With respect to direct provincial operating grants per student the figure for Alberta is \$7,182 against the national average of \$5,629; in provincial operating grants per capita, \$166 for Alberta against the Canadian average of \$136. That's direct student financial support.

Going into the field of research, again we find that Alberta on a percentage increase over the last decade ranks first of any province, a 256 percent increase. That's way above what any of the other provinces have been able to do.

I mentioned what's happened in the field of adult education. To me that was a very startling statistic.

The sponsored research at universities was a figure that places Alberta in number one ranking of any of the other provinces. Sponsored research per full-time faculty member was \$24,135. You look at figures ranging from \$2,000 up to \$17,000 for the other provinces. You can see how important university-based research activities are to the economy and ongoing diversification of the province.

The next table I have refers to that fact that 25 percent of Albertans are involved in adult education activities in the province. Again, that's the highest participation rate of any of the provinces.

Tuition is an important matter. I can't say we rank the lowest, but we're a very close second low. Of course, this varies from faculty to faculty. I'm using the Arts faculty — about \$852 to \$892 for a range of universities in Alberta. The percentage increase during the last year to the present year was 3 percent, again the lowest increase. I'm giving those figures to make the point that I believe students in our system probably have a pretty good deal. They're contributing, I'm told, about 10 percent of the costs of their education. Another 10 percent comes from a variety of general revenues generated by the universities or the facilities. The other roughly 80 percent comes from the general revenues of the province. That's not too bad.

In the field of government assistance, we find that Alberta again has the highest average student assistance awards by province on a per-student basis; \$3,940 is the average total award. That's first above B.C., which is at \$3,869.

MR. CHUMIR: Mr. Chairman, excuse me. On a point of order, might I inquire as to where in the documents which have been provided to the members of this House those figures and those pages appear?

MR. RUSSELL: No, Mr. Chairman, they don't appear. I'm giving my introductory remarks, general background information.

MR. CHAIRMAN: Order please. Will the hon. member sit down while the ...

MR. RUSSELL: This is general background information that I'm using in my introductory remarks.

MR. CHUMIR: Would it be appropriate to ask why they don't appear? It would certainly be very, very helpful to the members of this House.

MRS. CRIPPS: He'd have a stack of paper that high.

MR. CHUMIR: Well, that doesn't look it.

MR. MITCHELL: It looks very nice.

MR. CHUMIR: He seems very strong. He's ...

MR. CHAIRMAN: Order please. The documents that are supplied are the estimates books that are all the information that's made available for the committee. The hon. minister may at some point table whatever he wishes, but in the meantime he's giving an overview of his department, and whatever information he has is his information.

MR. RUSSELL: There's nothing secret about it. This is derived from federal and provincial statistics and data, and I assume that your caucus has the same research facilities as ours.

MR. TAYLOR: It's not helping us tonight to read about it tomorrow.

DR. BUCK: When you get to be the government, Nick, you'll have that same prerogative.

MR. RUSSELL: Let me make sure I'm interpreting this correctly from the chatter that's coming from over there. You don't want to hear anything other than what you can read in the book, is that it? Because if that's it, I'll sit down and we can get at it.

MR. TAYLOR: We'd love to have a copy of it.

MR. RUSSELL: I understand that you will get a turn to speak if you signify to the Chairman that you wish to speak. Roll your eyes to heaven all you like, Nicky baby, but your turn is coming.

MR. TAYLOR: At least you recognize that there is a heaven.

MR. RUSSELL: I went through those figures because I thought the members would find it interesting; I think the majority of them did.

Now I'll go through the selected highlights that are contained in the Advanced Education budget and in the

documents delivered to all of us by the hon. Treasurer. The estimates I'm asking approval for contain a 4 percent increase across the board, a basic 4 percent increase in operating funds for all postsecondary institutions, and that's worth about another \$26 million this year. There are funds in there to finalize the 1980s endowment fund and to commence its successor, funds in the amount of about \$26 million. That cleans up what is left of the original endowment fund and provides a vote of \$16 million for the second successor fund. We're probably looking at a cash flow of five years at \$16 million a year to provide that second \$80 million budget.

An increased allocation in vote 3 is for financial assistance to students. In my view that's a very important vote that I'm asking approval for, because many of our students today need that added assistance and it will be there.

In line with past policies that have been established, there are funds of \$1.7 million to recognize enrollment growth.

In the capital fund requirements, I'm asking for approximately \$52 million to maintain progress with respect to some capital projects that have been under way.

There are funds in there, also, to cover the costs of the implementation of new programs that have been previously approved: the master's degree in business administration at the University of Calgary and the expanded programs in rehabilitation therapy and occupational therapy at the University of Alberta. That's primarily for physiotherapists and occupational therapists, and we're experiencing a real deficiency in those positions. In the meantime we're trying to recruit from offshore or other provinces. I'm aware of that, but in the longer term, I think it's essential that new spaces are provided in the educational system. Again, there are roughly \$3 million to provide operating funds for new facilities or expanded facilities that have been opened.

So those are the highlights. I tried in those remarks to describe the system, show you how it compares with other provincial systems, show you how our present level of financial support in a variety of activities compares on a national basis or with other provinces, and tried to give you some idea of those numbers.

In conclusion, I'd like to share a couple of thoughts with you that are based on experiences I've had since achieving this new portfolio. First of all, I'd like to refer to the last day of convocation exercises at the University of Alberta. The universities now are graduating such large classes that their convocations last for about a week. So you can't go to every one, but I did manage to go to the Friday one last week in Edmonton. Frankly, I was impressed, and I think all of us would have been, by the large numbers of students there, having recognized quite remarkable achievements.

One thing that struck me at the University of Alberta PhD degree-granting ceremonies is that it has truly become an international university. We had students there from China, African nations, the continent of Europe, and many American centres who had come to Edmonton, Canada, to achieve their doctoral degrees. I think that's a real sign of maturity for that institution. There are large numbers, as I mentioned, in the graduating classes. I think we must all be aware of the changing face of Alberta, because a very large percentage of the graduates achieving degrees were either from African or South American or Asian nations. They are the children of new Canadians that have come here. When I looked at the graduating class in medicine that morning, I made the prediction that within a decade

chances will be 50 percent that when Albertans go to see a doctor, the doctor will be a member of a visible minority. So we are building a new society.

I mention that because I think it's important that as legislators we make sure the new immigrants to Alberta that have come here to make this their home and their children going through our educational facilities are made to feel welcome and an integral part of society. By their achievements, they are certainly hard workers and competitors.

Another ceremony I was lucky to attend was the awarding of this year's Haultain awards. That's the sort of ultimate award in the Heritage Savings Trust Fund series of scholarships. Three citizens are honoured each year in the fields of art, science, and humanities and receive an award of \$25,000. That was very impressive, to find out what a variety of citizens are doing in Alberta to merit those awards. But the interesting thing was the numbers of people that have been involved in those heritage trust fund awards. Since they were started, we've given something like \$40 million of heritage trust fund income in scholarships to deserving students at all levels in categories of academic, job training, or just general achievement. I think that's really a good use and a fine investment of those revenues we got from depleting resources.

Last night I attended a dinner group that brought together all the institutional presidents and chairmen of boards of the system I've been talking about. What struck me meeting with those people was the dedication and service we're getting from our fellow citizens that serve on those boards. They are volunteer citizens. In most cases the pay is nothing. They may get a very nominal per diem in other cases, but I think it's pretty well nothing across the board. They are giving hours and hours and hours of service to those self-governing institutions by way of direction and program development, and certainly Alberta is a better place for that.

There it is, Mr. Chairman. I'd be pleased to hear the response of the other members. As I say, I'm asking for this large amount of money during these times to maintain a system that I think is second to none in Canada. It will obviously continue to be accessible to large numbers of people if we can maintain this level of funding. I think the services we're providing are excellent. The potential that is within that system has no bounds.

Dr. Kaplan of the University of Alberta addressed the students at the convocation I mentioned and spoke with great excitement about the era we are entering, the age of information, and what is starting to happen in Alberta by way of university-based diversification, because it's related to the sciences and research activities. It's pretty exciting to see what, in fact, is happening in this province and the potential that is there. In my view, one of the key building blocks to going forward with progress in that field will be the maintenance and improvement of our postsecondary educational system.

Thank you very much, Mr. Chairman. I'll be pleased to hear the remarks of my colleagues.

MR. CHAIRMAN: Thank you, Mr. Minister.

MR. GIBEAULT: Mr. Chairman, the portfolio of Advanced Education is certainly one that I have a lot of interest in, having been a graduate of our own University of Alberta not that long ago. So it concerns me in a number of ways

to look at the estimates that have been presented here by the government.

On the very first page we see, for example, that assistance to higher and further educational institutions in this province is a measly .3 percent. Then when we turn the page, how interesting it is to observe that the minister's salary and benefits are up 5.6 percent over the previous year. Then we see, of course, that grants to the educational institutions are up a measly .8 percent, not considering at all the impact of inflation on the postsecondary institutions of the province, which suffer at least as much from the national inflation rate of 4 percent, if not more. But certainly the minister has made sure that he is not going to suffer in any way whatsoever in the coming fiscal year.

Then we go ahead, and we look further. We take a look at the different supports that are being provided to the various sectors of the advanced education community in the province, and we see some interesting observations that can be made. We see, for example, that the private colleges are looking at somewhere in the neighbourhood of a 12.1 percent increase in their funding from the government. The public colleges, on the other hand, are looking at something in the neighbourhood of 5.8 percent. I guess the question that crosses our minds is: what is it that causes the government to give something in the neighbourhood of twice as much of an increase this year in granting support to the private colleges versus the public colleges?

We take a look at the technical institutes. Mr. Chairman, I'd suggest that that's probably one of the most telling items in the whole budget. If we look at the summary by elements, we can see in terms of the technical institutes that that probably indicates the whole economic failure of the government. We're looking at the most marginal increases of the whole sector. We're looking at increases for NAIT and SAIT in the neighbourhood of 2.7 percent. We have to ask why that is. If we take a look at the fact that the construction industry in the province is on its knees, we have to look at the situation that construction students and apprentices are going to look at. They're going to have to say, "On the one hand, with the economy being what it is and the lack of jobs, perhaps we should be looking at going back to school and retraining and upgrading our skills and so on." But a lot of the people in that situation realize that there's virtually no hope here.

In fact, if they looked at this particular budget for the Department of Advanced Education, they'd see that the capital part of the budget's been decreased by somewhere in the neighbourhood of \$50 million-plus. In terms of construction, which is exactly what we need at this point in time to create the jobs that are so desperately needed in that sector, we've got massive cutbacks. It's interesting to note that while we are making substantial capital budget cutbacks — in the neighbourhood of 27 percent — at the same time there's no such cutback in the department responsible for building the jails in this province. I wonder if there's not some kind of philosophical priority that comes across there. We seem to have money to lock people up and build jails, but we don't seem to have any kind of priority for the kinds of facilities that are going to educate the leaders in this community, scientific, social, and all disciplines, for the benefit of the entire society.

I think the whole area of the technical institutes is very telling, Mr. Chairman. They're at the bottom of the priority list, and if I were a construction trade worker, I'd really have to wonder why I should go back to NAIT or SAIT as well, when there's no hope whatsoever that there's going

to be any job thereafter. My own sister spent two years becoming an architectural technologist. She comes out, there's nothing happening in construction. The dollars in terms of her public investment in education, not to mention her own private investment, are totally wasted. That story is repeated thousands and thousands of times in this province, to the shame of all of us.

Mr. Chairman, we take a look at the universities. All the universities are apparently looking at a budget increase in the neighbourhood of 3 percent. The national inflation rate is 4.1 percent. Under program support for innovative projects we see that there is \$0.75 million — not up a penny from last year. I have to say: what kind of message are we trying to send to the educators, the leaders, the innovators in this province at our postsecondary institutions, not to mention around the country? People looking at numbers like that are going to say: "The people of this province, through the government, don't have any priority on postsecondary education. They're not interested in attracting innovative and creative new people to this province to make the leadership of the educational institutions among the best in this country." The message really is quite clear that this government is simply plodding along, barely trying to keep things from falling apart. I think that is really a lack of vision in the educational sector of this province, the advanced education sector in particular.

If we take a look, as well, in terms of construction — I've already referred to that — I think it's a telling story. There are a number of institutions in the province that have various projects they'd like to advance, capital projects, and we're looking at major, major cutbacks in that area. If the overall picture is to be looked at, we're looking at a total estimated expenditure increase in advanced education of something in the neighbourhood of 1.3 percent, compared to the total for the government as a whole of about 5.9 percent. So it seems pretty clear that advanced education is somewhere near the bottom.

It disturbs me, Mr. Chairman, because if we look under Technology, Research, and Telecommunications, one could imagine that maybe the government is trying to show some leadership there. I wonder why it is that we're not working more in co-operation with the advanced education institutions of this province, to be in the forefront of technology and research in this province. I think the advanced education people, the people who've been doing excellent work in terms of teaching and research, innovation, are going to be disappointed to see that they have been singled out for the most marginal increases.

A lot of the innovative work that we'll be doing in technological and research areas seems to be directed from the government's priority to give all this to private companies and hope something will happen. Mr. Chairman, the closure recently of Bell-Northern Research in the Mill Woods area I think shows that we can't rely on the private sector. We can't bribe them to come here and do research. We should be working much more co-operatively with the people and the institutions right here in our province.

As I said, Mr. Chairman, I thought the overall increases were marginal. They show a government that really has no vision in terms of advanced education in this province. The capital construction budget, as I mentioned, has already been slashed, and I think this is going to have a very negative effect on the whole economy, but in particular the institutions involved are going to be suffering. As an example we have a rather serious situation at Grande Prairie college. In fact, Mr. Getty during the campaign indicated that he

was going to be looking at making sure that the college had a commitment to go ahead with construction projects there. They need \$5 million prior to the beginning of the next fiscal year to get this construction under way. I'm going to be very interested to hear if the minister is going to make a commitment on behalf of his government's leader's promise to fulfill that, because I haven't seen it anywhere indicated in the materials we've had.

There's another question, of course, that has to be addressed, Mr. Chairman, and that's in terms of the universities and the other postsecondary institutions. What we have here are the '86-87 estimates, and the question of course is — if we take a look at the government's beloved corporate sector, there's not a successful corporation that looks at one year at a time. They have to have a plan for the future, a five-year plan, a three-year plan. Why is it that this government cannot look at working with the post-secondary education institutions in this province for long-range funding, funding that will allow the universities to properly plan for the future. This is something that applies equally in the basic education sector and others, but I have to at this point indicate to the government that the post-secondary institutions of this province have indicated to me that this is really a major difficulty for them and that they are looking for the government to show some leadership in this area, multi-year funding on a secured basis.

There are other areas that we have to take a look at, Mr. Chairman, and one is the area of disparity of funding. We are looking now at a situation in '84-85, for example, where the University of Alberta received grants in the neighborhood of \$7,480 per student. The University of Calgary, in contrast, received something in the area of \$6,290 per student. There is a question in our minds of why we have that kind of discrepancy and why there is no allowance in terms of funding for adjustments for faster enrollments at the various institutions of the province.

We have to look as well, Mr. Chairman, at the institutions that are rather unique in the province; for example, Athabasca University. I was there only two weeks ago to be at the installation of the president and their convocation. Unfortunately, the minister couldn't make it to that, but I want to tell him that the people there spoke to me. They indicated that they're facing a very substantial increase in enrollment in the coming year, and they're looking at somewhere in the neighborhood of a 3 percent increase in their funding. There is just no way they will be able to maintain the quality of their programs in that kind of situation.

In terms of the Students Finance Board, which comes under this department as well, I think it's important that some energy goes into looking at the disparity between the funding for college students and technical institute students versus that for university students. The remission formula as it exists now discriminates against the four-year university student programs. A joint study recently by the Students' Union executives of Edmonton, Calgary, and Lethbridge suggests that a flat-rate remission of 45 percent for all postsecondary students across the province would go a long way toward resolving this kind of disparity.

There are indeed other elements that I want to speak on briefly. One of the other ones, of course, in terms of student finance — and this I have to say saddens me, to see that nothing has been done about this in the 13 years since I was a student. This was a problem for me even then. That is, in this province when is a person an adult? The law says 18 years of age; yet when it comes to student

financing, we've got a special rule. It says that a person is not an adult until they're 21 years of age and that between 18 and 21 an adult student has to consider the parents' income and financial situation in regard to student assistance, regardless of whether or not the parents are in a position to assist their adult children. It seems to me, Mr. Chairman, that we could be making a big improvement in the student finance system in simply making one law in this province for adults at all levels. Eighteen is the law have for voting, for drinking, for all elements, so the province should indicate an adult requirement. I would suggest that we have to have the same kind of arrangement for student financing.

Mr. Chairman, we have other elements of concern about this. As I said, I think that generally speaking it's an estimate that suggests a very marginal holding pattern barely getting us through. It lacks vision. Some of my colleagues are going to be talking about other areas: the relations we have in terms of established program financing with the federal government. Some of my colleagues as well have got direct experience in terms of class loads and the problems that are being faced by students and teachers now. I'm going to look at having them speak to those issues a little later.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Members of the committee, a word about the process. The minister is putting his estimates to the committee. Committee members may comment and ask questions. The minister may respond after each speaker with questions. The minister may choose to respond after all questioners. The process is the same as in the Assembly. The same rules apply.

MR. PAYNE: First of all, Mr. Chairman, I guess I should compliment our new Minister of Advanced Education. Given the fact that he's had barely days to get on top of his department, I think he's demonstrated in the House earlier and certainly this evening that he's done so with the usual competence with which we've come to see him handle the variety of portfolios he's had as a member of Executive Council.

Having said that though, Mr. Chairman, I'm sure that as a Calgary MLA the minister is well aware of the recurring concern in Calgary that the postsecondary institutions in that city do not fare well in a funding sense compared to what are perceived as more generously funded postsecondary institutions in Edmonton. Officials of the Southern Alberta Institute of Technology, for example, as recently as four weeks ago corresponded with me to point out that at the time of the 1982 conversion from a provincially administered institution to a board-of-governors administered institution the Southern Alberta Institute of Technology received a 10.5 percent increase compared to the Northern Alberta Institute of Technology's increase of 21.3 percent, resulting in a funding difference of about \$4.5 million, a disparity that is yet to be resolved.

Similarly, Mr. Chairman, the University of Calgary presented a brief late last year to the Minister's Advisory Committee on University Affairs. The brief attempted to demonstrate an increasing disparity between University of Calgary funding and funding for the University of Alberta. The minister's predecessor, of course, who is now the hon. Provincial Treasurer, on more than one occasion explained that disparity by reference to such factors as: different faculties carry different costs, and different universities have different mixes of graduate and undergraduate students.

However, I regret that these explanations have not been widely accepted in Calgary, and I wonder if I could ask the minister during this evening's debate of his departmental estimates to consider, if he could, a review of the funding formula for postsecondary institutions.

Thank you, Mr. Chairman.

MR. CHUMIR: I rise, Mr. Chairman, as they say, cold turkey, this being my first debate of this matter. First, I ask the hon. minister if in fact he would undertake to provide to this House a copy of the unweighty materials he was reading from earlier? They would certainly be of assistance to this House, and rather than suggesting that the nonexistent or underfunded research bureaus of the opposition should be providing it, he should realize that those are materials which are provided and obtained from public funds. It would be not only a courtesy but a tremendous assistance to the opposition members of this House and would enhance the means in which the review of public business is carried out if materials of that nature were provided to members in advance.

I would like to add my voice to what is now a small but will undoubtedly be a larger and rising chorus of voices with respect to the disparity in funding between the institutions in Calgary and Edmonton — the University of Alberta versus the University of Calgary and the Southern Alberta Institute of Technology versus the Northern Alberta Institute of Technology — and would specifically like to ask that the minister rise in this House sometime during this debate and explain to the House why that disparity exists, because as the hon. member who preceded me just said, there are some very intelligent individuals who have been listening without successfully understanding the explanations for that disparity.

There are several other items that I'd like to comment on and ask the minister to respond to. I noticed that under the Alberta Hospital, Ponoka, we have an increase in the amount of funding going toward the training of nurses at those institutions. It was my understanding that the Albert Hospital, Ponoka, was being wound down and phased out and that patients were being transferred to institutions in Calgary and other parts of the province. I would ask the minister to explain what the increase in funding of nursing training at those institutions means in policy terms about the role of the provincial hospital in Ponoka.

Mr. Chairman, Mount Royal College has a 2 percent increase in its operating budget, and I believe that college would like some explanation as to how it is going to handle the anticipated increase in the number of students which will ensue from what is presently a very major capital expansion of its facilities approved by this government. They are worried. They are puzzled as to where the funding is going to come from. That is another question that the members of this House and of this province deserve an answer to.

I notice funding for vocational centres. These and other institutions provide a very high level of adult training, as was indicated by the minister in his preliminary comments. I wonder if the minister might also give us some indication as to what emphasis in this adult training is given to relief of the very, very serious problem of illiteracy in our community, one that is just now beginning to be understood but which is very, very costly not only in human terms but in terms of cost to business from inability of individuals to understand instructions or who get into accidents as a result of an inability to follow safety instructions and costs

to the community in general as a result of the failure of these individuals to be able to qualify for jobs.

One final question, Mr. Chairman, relates to our universities and in particular our medical faculties. We have been hearing a great deal of commentary and question about the lack of adequate training for those in the realm of gerontology. I would be very interested and I believe it would be in the interests of the senior citizens of this province if we were to hear from the minister as to the amount of funding that is being given to training medical specialists and non-medical specialists in the realm of gerontology, with a little bit of background as to where we have been in that area and where we're going.

Thank you, Mr. Chairman.

MR. HAWKESWORTH: Mr. Chairman, my first questions follow from some of the comments that the hon. Provincial Treasurer mentioned early in the evening in explaining to us how these various documents tie together. This being our very first department tonight and the very first time we've had to go through these books, I'm trying to follow, in this case, the capital budget. In this particular booklet, Capital Fund Estimates, there are only the two programs of Hospitals and Medical Care and Advanced Education. On page 11 of this document, vote 2, construction of postsecondary education facilities, there is a figure: amount to be voted, \$51,668,000.

In looking at this budget book, there are a number of capital budget figures that occur under Advanced Education. That, Mr. Treasurer, is the thicker of the two. I don't know what number to call it or what title to give it. On page 2 is a capital budget of \$90,957,000, which is made up, as I understand it, from vote 1 of \$106,000; then on page 5, under vote 2, a capital budget of \$90,792,000 appears again; the third capital item under vote 3 is a figure of approximately \$58,000. I cannot reconcile vote 2 of \$51,668,000 contained in the capital fund estimates with any of the figures quoted in this book. So I'd like it if somebody could walk us through that, at least so we can figure out how to reconcile these different figures. Along with that, I would be interested in some kind of listing of capital projects contained in that \$90 million figure, to see what kinds of projects are being funded under this department this year.

Mr. Chairman, I don't know what the procedure is, having asked a kind of technical question of that nature. Would I lose my place on the speaking order if I could get a reply? Or if I sit down, do I have to wait my turn for the other 20 people to go through and then get back up again and ask the rest of my questions? As a procedural matter, being here for the first time, not being sure how to proceed on that.

MR. CHAIRMAN: Order please. The Chairman is in the committee's hands. But it would appear to me that the hon. Member for Calgary Mountain View has asked a question of a technical nature. The estimates of the Minister of Advanced Education are before this House. The Provincial Treasurer, however, has given introduction to the documents that will apply to all portfolios being presented to the House.

I would make the suggestion to the members of the committee that the Member for Calgary Mountain View's questions, which are, in essence, put to the Provincial Treasurer, could perhaps be entertained by the Provincial Treasurer, who may answer them if he wishes, and the

hon. Member for Calgary Mountain View wouldn't lose his place.

Would members of the committee agree with that?

HON. MEMBERS: Agreed.

MR. JOHNSTON: I might make a few dollars myself. In just making a transition between the two. I'm also attempting to reconcile the \$90 million. You may well go on with the rest of your questions, and I'll try and come back in.

MR. HAWKESWORTH: Mr. Chairman, for the 1982-83 operating budgets for both SAIT and NAIT, certain letters were provided to the board chairmen of those new board-governed institutions. Prior to that year the two institutions received essentially the same level of funding. My question that I'd like to add with my colleague for Calgary Fish Creek and my colleague for Calgary Buffalo is an explanation of what in that budget year was somewhere in the order of a \$3 million discrepancy between the two institutions. That discrepancy between those two institutions has grown over the years until this year it's a discrepancy of somewhere in the order of \$7 million. As you can see, there's a compounding effect at work here. Once an institution has a higher base than the other institution, each and every year they get the same percentage increase, yet because one starts from a higher base than the other, that discrepancy and gap grow over the years. What we've seen occurring between NAIT and SAIT is a growth in the discrepancy to the point that it's now \$7 million.

Four years later, the board of governors is still requesting an explanation as to the reasons for that initial discrepancy and would like that outlined by the government. I note from a copy of a letter provided to me from the previous minister of this portfolio that there is no detailed explanation given in that particular document. It was written to the board of governors of SAIT on May 22, 1986, and it simply states that provincial funding provided to SAIT in the future should be discussed rather than looking at historic needs. But, Mr. Chairman, I'm going to add my voice to those of my colleagues for an explanation from this government as to why that discrepancy has occurred and grown over the years.

Along those same lines, Mr. Chairman, I would like an explanation as to why the Alberta Vocational Centre Edmonton is receiving a 6.1 percent increase over its budget of a year ago, compared to the Alberta Vocational Centre Calgary, which is receiving only a 2.2 percent increase over its budget of a year ago.

This being my first opportunity to ask questions of the government in this area, I don't see any summary of revenues that might accrue to the provincial government by virtue of the programs financed in the Advanced Education department. What revenues are received from, for example, the federal government for advanced education in Alberta? How are those accounted for?

I'd also like to know if he could provide this House, either tonight or at some time before these estimates are finally approved, a listing of the reserve accounts held by postsecondary institutions in the province of Alberta. I'd like to have an outline of what the grants are to the University of Calgary based on a per full-time student basis, compared to the University of Alberta. I'd like to know if there are any long-term plans of his department to alter the respective roles of those two institutions in the province of Alberta.

With those initial questions, Mr. Chairman, I conclude my remarks.

MR. NELSON: Mr. Chairman, I have a few comments and certainly a couple of questions for the minister with regard to the estimates on Advanced Education. First of all, I'll deal with some of the questions and concerns that I have. As the Member for Calgary Fish Creek has indicated, I have a similar concern in somewhat the same way but in a much more expanded way in some degree.

Just looking at the straight budget, it seems that the postsecondary institutions in Calgary are getting a shortfall. If I look at the AVCs, the difference is \$2.75 million, with a 6.1 percent increase in Edmonton this year and 2.2 percent in Calgary. That concerns me, considering the comments that I've had from a number of constituents. Of course, with the very large constituency now in northeast Calgary, both mine and Montrose, we do have a number of people that are utilizing the facilities we're discussing here tonight.

The other area is SAIT. Again we're looking at a 2.7 percent increase in both the SAIT and NAIT budgets, which continually widens the gap of dollars spent in each of those facilities. Knowing full well, of course, that SAIT had the College of Art removed from its operating budget some time ago, which is now in the order of \$4 million-plus, certainly could explain part of that gap.

The other area, of course, is the universities. I know that I have had this explained to me in some detail previously by the former Minister of Advanced Education, but it's very difficult to sell on straight numbers relevant to the University of Alberta on a straight dollars and cents per pupil basis. I'd certainly like to have that examined, because it's a 3.4 percent increase, which again widens the gap between the two universities from a dollars and cents point of view. I'm using that in strict terms rather than the full evaluation that must be given.

The other area of concern is the nursing education programs in Calgary. It appears that we're funding the Foothills Provincial hospital to the tune of \$2.9 million, yet in Edmonton we're funding three hospitals to the tune of nearly \$7 million. Notwithstanding that, the Calgary General has some teaching within its facilities, but there's nothing in the budget to identify that, if in fact it is in a separate budget, or whether or not it is operated through the hospital department's budget.

The other concerns, Mr. Chairman, take into account the increased number of man-years that appear in this budget. Even though the permanent full-time positions have decreased overall, the man-year authorization has increased. I know I've mentioned this one in previous years. Those concern me greatly, especially some of these positions in an administrative fashion.

The other area, of course, is supply and services, which has increased significantly under vote 3 in particular — a 19.5 percent increase that might be of some value.

The other area, Mr. Chairman, is the area I brought up the other day with regard to the expansion of Mount Royal College and the comments of the Member for Calgary Forest Lawn. All I'd like to say there is that the Member for Calgary Forest Lawn had better damn well mind his own business in northeast Calgary, because we're not going to have a slowdown of the development of the northeast [high school] at the cost of waiting for a part of the college in that high school. For the order of over five years, I have personally been involved in obtaining a high school for the northeast area of the city. Now with two MLAs,

the hon. Member for Calgary Montrose and myself, we're certainly not going to have someone wander in out of another constituency and try to place that down.

The other thing, Mr. Chairman, is that the expansion of Mount Royal College or a satellite thereof has been under discussion for a number of years. There have been some options suggested there, and although it isn't in this budget, I would like to ask the minister to just give it some due consideration in the future, along with the college, so that those people on the northeast and possibly east side of Calgary can have the same opportunities within a reasonable distance of their homes as others do within the city.

All in all, Mr. Chairman, through those areas of possible slight criticism, I have to indicate to the minister that the program for advanced education in the province is, of course, one of the highest in the province. I am sure that anybody that looks at themselves, makes an honest and sincere effort to examine this budget, and looks at budgets and the cost of education in this province as against others would really believe that the government is doing a reasonable job in looking after our students. I would just like to commend and congratulate the minister and the government for that activity, even though we do have some criticisms of it.

MR. McEACHERN: Mr. Chairman, I'd like to start with a couple of questions about numbers. The service element in each of these categories in the backup book shows great increases, such as 78 percent in provincially administered institutions, 871 percent in private colleges, and so on. I'm wondering if the hon. Treasurer could explain it. I think I've possibly got the solution myself, but I'm not sure. Is that where some of the capital budget has disappeared to? Otherwise, I don't understand why those numbers would be up so significantly in each category. Perhaps one of the ministers could enlighten us on that later.

There is another figure in there that I think I quite understand, and it does disturb me to quite an extent; that is, the man-years authorized by the department. It's 1,149.5, yet the permanent full-time positions are only 651. If you take the difference between those two and take it as a percentage of the total man-year authorizations, you'll find that some 43.4 percent of the jobs, if you like, or the amount of work that needs to be done, must be being let on temporary contracts or some method other than hiring people full-time.

I think one area where this is certainly a problem is the number of temporary contracts for teachers at the university. It seems to me that a lot of people have been left dangling for many years doing the very hard job of teaching — I know quite a bit about how hard a job teaching is — yet have not been given permanent contracts, so they have no security of tenure. They have very few benefits. They just sort of go from month to month or semester by semester not knowing what their status is and how long they will be able to last. Some of them have gone for several years that way. The number of people in those kinds of categories seems to me much too high. There may be some other people there that may cover some other things I haven't mentioned, but that is a rather alarming statistic.

However, I want to make most of my comments as more of an analysis of the overall picture. I would like to remind the hon. Minister of Advanced Education that just putting dollars in doesn't necessarily always imply that you've done enough or that it's necessarily good enough, and I'm not being frivolous or facetious about that. We in

Alberta have been very lucky with the tremendous amount of oil money we've had over the last 10 years or so, but most of the advances in education in this province, it seems to me — I've been teaching almost continuously since 1959, with three years out for university in the early 60s, and I've been watching the postsecondary education institutions very carefully over the last few years, particularly as I was chairman of the education committee for the party. We've seen some trends and changes that I think are worth looking at in spite of the dollars and the first in this and first in that that you tend to read out.

When you compare yourself to mostly Conservative governments and some Liberal governments all across this country over the last 10 or 15 years and say that your numbers are better and therefore you're doing a better job in education, that isn't really saying an awful lot, considering that many of those governments didn't have much money or any greater commitment to education than anybody else. I think we need to put that into perspective. In fact, the amount of money put into education in the last number of years in this province has been a smaller and smaller part of the total budget. For a number of years that has been true.

We have come quite a long way since I started teaching in 1958, but a great deal of the progress, perhaps almost all of it, was made during the Social Credit era. I'm not particularly trying to brag up the Social Credit Party, but there was a great sense that we were doing better and things were getting better in education all through the 60s in this province. From 1971 on, when the government first came in and put a freeze on capital expenditures in education, I have felt a great depression among my fellow teachers in terms of new and innovative programs and advancements in education. The commitment in dollars is sometimes there but not so much the commitment in philosophy and encouragement of all the people.

There's an aspect of some of the recent changes in secondary education that I think will spill over into advanced or postsecondary education that disturbs me. It's the attitude, I think, that education is for the elite, that while we have since 1958 changed things considerably for the better — in 1958 we sort of accepted that a few students with a great deal of ability in terms of reading and regurgitating that information would be moved on to universities. Gradually by about 1968 — and I just sort of pick that number because 10 years later I happened to be in Calgary teaching at one of the biggest and best new schools built on a dollar-for-dollar matching grant with the federal government — we were trying, not with a great deal of success, but at least certainly trying hard to educate 100 percent of the population. We were keeping students in school who normally would have been allowed to drop out 10 years earlier.

Teachers are still struggling to do that, although the 10 years from 1968 to 1978 and then again the eight years since then have made it very difficult. I think some of the changes in secondary education in the last few years, if they are carried into postsecondary education — I'm not sure that the government has quite the same influence and clout on our postsecondary educational institutions that they do on curriculum and procedures in the high schools, so they may not have quite so much success. Nonetheless, I think a couple of the ideas that are developed there are indicative of the attitude of the government and may be carried over to some extent into the postsecondary field and are worth mentioning.

The idea that you can improve the standard of education by toughening up the requirements — this is a little bit

tricky in terms of the meanings we give to words. But what I'm trying to say is this. If you increase the requirements to go from level A to level B in terms of your education, no matter what it might be — say that D is where you're trying to get to and you're going A, B, C, D — if you increase the requirements, make them more difficult to get from A to B to C to D, you may at the end of it have less people at level D. They may indeed have a higher standard than they would have had if the requirements had been a little easier, but the overall level of your society might be very well less.

On what grounds would you, for instance, stop somebody with an average IQ from going on to a postsecondary educational institution and studying history? I mean, we can't all be Toynbees. Therefore, to say that somebody with an average intelligence cannot go beyond a certain level because somehow they couldn't pass the test or quite get that level required to go from step B to step C and so you stop them at a lower level — if you look at your society as a whole, you will then have a lower level of education, and I think that this government has fallen into that trap.

The government should remember that there are a couple of other levels of government that also get involved in education; at the school level, of course, the local government mainly and at the postsecondary education level, the federal government. Sometimes when you're quoting statistics, I think you tend to forget that. I don't think the Alberta government, in terms of percentage of the revenues of the province or the expenditures of the province, has shown any greater commitment than any of the others.

Moving education towards becoming more and more elitist, I think, is seen in a couple of aspects that bother me to some extent. For instance, there are about 80,000 or maybe 85,000 postsecondary educational positions in our postsecondary educational institutions in this province. The University of Alberta has some 24,000 of those positions, so it's a fairly predominant sort of institution. When they increased their requirements from 60 percent average to 65 percent average, they just eliminated some 1,500 students from being able to go on to the next level.

The pressure that that created on some of the other institutions, of course, has caused some rather strange anomalies. If one of the other colleges has a 60 percent average requirement, the student can get into that and take two years there and then go into the University of Alberta and take third year, but you couldn't have gone straight to the University of Alberta and taken your first year there with 62 percent, let's say. So there have been some rather strange anomalies created, but it has also meant that a lot of average people couldn't go to the university. I think it's because we've allowed the academics to get away with the notion that somehow a postsecondary educational institution is for some kind of intellectual elite and that they don't want to take the time and trouble to deal with ordinary people.

The government often brags a lot about its scholarship program. I don't mean to put that down. I'm not saying that scholarships aren't very important, but it's no substitute for having a really sound educational system for ordinary people, people that can't get the scholarships. You mentioned going to convocations. I went the other day to an awards night for high school students. These students are trying to get into our postsecondary educational institutions. It was all very interesting to see the tremendous ability and accomplishments displayed by those students that were at the

awards night, but there was a large number that were not at that awards night. I don't think we have done well in Alberta in having education for everybody.

MR. TAYLOR: Mr. Chairman, I just have a few questions. I'm sure the hon. minister will note them down to answer later. In reading through the estimates, I couldn't understand why in vote 3 there was such a reduction in interest payments, whether he has indeed taken advantage of lending himself some of the cheap money that the Department of Agriculture has. I don't know what the reason is for such a huge reduction in the interest payments.

The second thing, Mr. Minister, is that at the top of your number of categories — this is in the so-called working papers for Committee of Supply — there is a service element: private colleges up 870 percent, provincially administered institutions up 78 percent, technical institutes up 53 percent, public colleges up 100 percent. It's really the only element that you have up a large amount. Maybe you could answer later on in the debate. I would be very interested.

Also, Mr. Minister, I'll move on a bit and make a few suggestions on things that I'm disappointed in or didn't see in there that could be covered. One of the first ones, and it's always a tricky element to cover, is the case of foreign students. Recent studies of our North-South Institute based in Ottawa show that a foreign student contributes on the average \$10,000 a year to the economy in which he or she is getting educated. I think we have some of our trade schools, particularly, and summer schools that could expand their enrollment to take in foreign students.

Possibly we might even think down the road of getting into the business of educating foreign students. It's a good business. I'm not talking about educating indigents or educating foreign students as a charity. I think many of these countries have the money. Many of these countries get grants from the United Nations and others to educate. Countries such as England, France, and Germany, where I've often done business, make a great deal of money not only out of educating a foreign student, but the best value in educating a foreign student is that you have somebody that's familiar with your purchasing, your economy, and your businesses. So when that person goes back to the country they come from, they are a buying power, a source of creating money. I think we've overlooked the value of foreign students in that regard, with the rather chauvinistic attitude that they might be squeezing out some of our little blue-eyed babies rather than the fact that they could be very good business indeed for the government.

I might mention that the immigration laws of the federal government more than protect us from any thought that they're suddenly going to be snowed under by huge classes of foreign students that refuse to go home. There's no way you can become a Canadian citizen from within the country; you have to go back home to apply. Therefore, the cause for foreign students is something that maybe we could investigate, because there are also a tremendous number of jobs. We have people graduating in education, people that run these institutions, the building of the institutions, the maintenance: all these could be quite a great job creation.

The second thing I am wondering if you have had a chance to look at, Mr. Minister, is the idea of a student mortgage. You rightfully take some pride in the fact that student aid from this government is higher per student than possibly any of the other governments in Canada. However, I suppose you could take that old Biblical saying: from those that have been given much, much is expected. If you

were to take the percentage of our disposable income here in Alberta, I don't think we would rank top. In other words, I think there are some other provinces that might actually shame us in the amount of money they're putting forward to students if you take it on a net or percentage amount of what they make. Be that as it may, I think you can take some pride in that you have been aiding students.

But how about looking a little further into it in the case of a student mortgage? If a couple gets together and wants to build a home or establish a home for a family, one of the basic units of a family, one of the basic economic units that we can encourage in our society, is a mortgage for a home. To build their home and raise their family in it is the biggest investment that most people make in their lives. The governments look into it and try to help them out and work on the mortgage. But when we stop to think in a modern-day society that maybe one of the greatest things that you have if you want to preserve a family is the education of the breadwinners, the father and mother of that family, and the chances to build a society and a life together, that investment is probably just as important as any house, maybe more important. Maybe we haven't kept up to date on that, maybe we should be thinking of giving much more, a tremendous amount more, in the system of a mortgage whereby you could lay a surcharge in an income tax way on their income in the future. It's certainly been proven time and time again that the more educated a citizen is, the chances are the higher income they have.

So I don't think there would be anything wrong with granting a so-called student mortgage, where there would be a rider or a tax on future income down the road. Sure, you'd get the odd one that maybe graduated in history or even architecture and took off to the south sea islands and did nothing for the rest of his or her life. The fact is that maybe — who knows? — they might write the great book that you want to read 200 years from now.

Lastly, Mr. Chairman, to the minister, I have observed that junior colleges are scattered throughout the province. We have many junior colleges in the south and central and Edmonton portions, which the hon. member from Hanna mentioned today has only 13 percent of the water of the province. You claim a great deal of the population and you claim a great deal of the junior colleges. If you plot where junior colleges are in Alberta, I can't help but notice that there's a gaping hole just north of Edmonton. I would suggest to the hon. minister that the town of Westlock would be an excellent place to locate the next junior college. I would take it upon myself to locate the site, help do some of the planning, and maybe even contribute some time to trying to get a junior college established there.

After saying that, I'll just take a minute to talk about the philosophical things. One of the things that bothered me when I looked through this budget, Mr. Chairman, is that the hon. minister — I know he's seldom been accused of this — is way too modest. I mean, he's looked at this as a retirement portfolio, with only a 5 percent increase. When you stop to think about it, we should have maybe something like a 100 percent increase. I want to give some of my reasons behind this. I hope that I can excite the minister's ambition somewhat to see some of the dream I can think of and that he won't just think of it as a caretaker job for the year ahead.

First of all, if we look at western societies — western Europe, Canada, and the U.S. — and where the jobs are created today, they're created in the service sector. If you divide our society into the goods-producing sector and the

service-producing sector, service produces 60 percent or a little more of those jobs. You cannot render a service unless you are educated. Education is the backbone of our late 20th century and 21st century types of jobs. That is absolutely necessary in order to create the jobs and the economy of the future. Goods producing, particularly here in landlocked Alberta, the centre of the continent — and if you ever have any doubts some time, any of you in the benches here, pick out your old atlas and try to remember your school classes and see what kinds of economies exist in central Asia, central Africa, and central Australia. It's only in central North America that you have any kind of economy, largely because historically we tried to tie the east coast to the west coast. But it should drive home a couple of lessons to you.

First of all, in a landlocked economy of today, in the middle of a continent, you have to export a job or a product that has hardly any cost in transportation. What better product to [export] than technique and expertise and knowledge? The other thing that you can look at is that we have managed for a long while here in Alberta to dig more oil or cut more trees or dig more gravel and make more cement, but those are nonrenewable resources and in time they run out. So if we are going to build a future, if you're going to diversify, it has to be in education. Yet we see a niggardly 5.5 percent or so in the operating costs and a negative expansion in the capital expenditure for what is probably going to be the lifeblood of our children and our grandchildren.

If I need to prove my argument any more, I would ask those sitting here today to ask themselves what countries have the best currencies in this world. What is the most solid investment you can make? Certainly no longer in the Tory party, I can assure you of that. But you can invest in the Dutch guilder, the Swiss franc, or the Japanese yen. Look at those three currencies. Look at the stability. Look at the investment stability behind them and you'll notice one thing that's common in those three countries: they have hardly any natural resources.

Now I'm sure God didn't just send them no resources because he knew they were smart. The greatest resource they had is the biggest natural resource of all — and we should be developing it here today — and that's what's between your ears. We're not doing that. Our advanced education is being pinched and niggardly, and we're forgetting that the jobs of the future lie in educating our children so that they can provide those services and techniques to export across this country.

That is the only message I'd like to leave with the minister: to encourage him to raise his sights above the opposition benches, go back to his cabinet, and just try to double and triple his budget if he can, because this is where we're going to get our jobs in the future. This is the economy we want to build.

MR. WRIGHT: Mr. Chairman, before going into some detail, I want to make a couple of more general points. Like all other hon. members, I'm sure, I have an interest in higher education, but the University of Alberta lies in my constituency, so I have a particular interest in the subject, particularly as it applies to universities.

I was disappointed when the hon. Minister of Advanced Education was making his introductory remarks that he didn't say anything about the wish of the president of the University of Alberta — in fact, the general wish in that university, and doubtless in the other universities, that there

be a longer span of financing laid out for them. The president of the University of Alberta was reported in the newspaper on May 29 this year as saying that he was about to meet with the Minister of Advanced Education and would raise this point, and I presume he did. He said that ideally they would like a five-year promise of funding laid out by the government, but he would settle for three years. Of course, it is very difficult to plan in any institution, but particularly a university, for structural changes or, indeed, for ordinary maintenance without the longer term of funding being available. I wonder if in due course the minister will respond to that concern, which is quite profound with the president. I spoke to him earlier this month, and that was one of the things he was indeed concerned with.

The other thing in the same area was the timing factor. His budget must come out in the spring in order to have the minimum of lead time before the fall term, yet annually the budget for the department that funds 80 percent of the university is not available and certainly not voted on even in normal years, let alone this year of course, until after he himself has to produce his budget. This is the second difficulty that will be avoided if there is a long-term sort of commitment from the government. Of course, I realize that it is difficult when estimates must be brought in annually and when the chief source of funding is dicey, as it has been with the variation of the price of oil, to have long-term plans like that. But it is done in some other areas, and I earnestly ask the minister to consider that point in this area.

While on this point of long-term planning, in that same report it was reported that the president of the University of Alberta said that it was his wish to move to a situation in which some 20 percent of the students at the University of Alberta would be graduate students. I think the hon. Member for Westlock-Sturgeon alluded to an important point there, which is perhaps the reason for that wish; namely, that in a 'postchip' society, if I can call it that, leisure services and services in general are the key to full employment. At the university level that requires a higher proportion of graduate students. It certainly is the way of the future. In commenting on the need for longer term planning, as I hope the minister will, I wonder whether there is any idea afoot in the department for a regime under which the universities can proceed with plans, which I suppose cost more per capita, to increase the proportion of graduate students in the whole.

The other general thing, Mr. Chairman, that I wish to revert to is the fact that it seems that in the last 10 years in only one year — I don't know which it was, but it wasn't last year and it's certainly not this year — has the increase in funding for institutions of higher education exceeded the rate of inflation. I think I'm right about that, certainly for universities. That is particularly distressing in view of the fact that we understand that the rate of inflation for universities exceeds the general rate, partly because of the plant in the scientific disciplines, which seems to be increasing because of complexity, also the fact that a lot of it comes from the United States and their dollar has appreciated against ours at a considerably faster rate than the rate of inflation, and also the built-in factors, which are reflected in the estimates for increase of salaries in the minister's own department — built-in factors that mean that there are contracted increases for long-term, tenured staff, which again builds a hole, particularly when you take into account merit increases on top of the ordinary ones above the rate of inflation. So it means an actual decrease in real

funding at a time when in general enrollment is increasing at the university. That's not to say, Mr. Chairman, that the university fares badly in comparison with funding of students elsewhere in Canada; it doesn't. I'm sorry if the minister was cut short by certain barracking from this side of the House, not amongst my hon. friends, on his comparisons, because I happen to find them instructive. Nonetheless, we are here, and we have a commitment to do as well as we possibly can by our students, that being the single best investment we can make for the future.

[Mr. Musgreave in the Chair]

Turning to some matters in rather greater detail, Mr. Chairman, I refer to the college at Grande Prairie. The Premier during the election campaign made a commitment, or so it was reported, to that college. The commitment was reported on May 2 in, I think, the *Calgary Herald*:

Premier Don Getty stamped his personal guarantee on capital funding for a \$39 million expansion at Grande Prairie Regional College.

The college president was reported as saying that she is holding her cheers, since she said that

the college needs \$5 million of that \$39 million in the current 1986-87 fiscal year for detailed design work and, should construction start next April, money to pay the first bills of the contractor.

Without the \$5 million, she continued, before the deadline of the middle of this year,

the detailed design work, and hence the construction phase, would have to be put off for a year.

I looked in the vote 2 figures and could only see that the allotment or the allocation for [Grande Prairie] College was in the operating budget, and I don't think that's the right place to look. I couldn't see the capital budget broken down as to [Grande Prairie] College, so that's my next question for the minister. Can he tell us if the Premier's promise is being implemented? The Premier made the promise of the \$39 million.

MR. MARTIN: They always do it.

MR. WRIGHT: Yes, but we can still ask questions about it.

The money will be made available to the college beginning in the 1987-88 budget year, although the full amount will not be received for several years, the premier said.

So there is a commitment to the total amount, but my question is whether at least that college will be in a position to get the \$5 million extra, which it seems the president is depending on.

Looking at the university funding for equipment, Mr. Chairman, one notices that the funds available for furnishings and equipment replacement have fallen by 12.3 percent from \$35.9 million to \$31.5 million, which is a pretty steep fall. My question to the minister is: why couldn't the government, if it had a good reason to reduce spending in this area, gradually reduce it? As I have mentioned, the cost of technical equipment increases in price above the inflation rate of 4.3 percent. So the real decrease is actually in excess of 12.3 percent and estimated to be some 16 percent. This is a time when expensive equipment, particularly in computer sciences, for example, is in short supply with an increasing number of students needing to use it. I would submit that that bodes seriously for the future.

[Mr. Gogo in the Chair]

Next, the so-called differential fee for foreign students. It's a high fee. The minister will recall that in 1976, the Act — I think it was the Act, or if not the Act, the regulations — was amended to require universities to impose a 50 percent increase on fees for foreign students. Hitherto we had to charge the same fees as for Canadian students, and the Alberta universities were the last ones in Canada, I believe, to keep the fee flat. At the time my colleagues and I argued strongly — in fact, I recall that I went to court on behalf of the students in 1977 on this — that this was a decent contribution to the Third World to help them along, and we still say that. In fact, the university now says that; at the time they argued differently.

In March of this year it was reported that Wilfred Allan, director of international student affairs at the University of Alberta, told an advisory committee on university affairs that a provincial government policy established in 1976 — and then it's the 50 percent thing. He continued:

"Differential fees favor the wealthy rather than the well-qualified," said Allan. "Consequently, the best students are going to countries where there are scholarships, fee-waiver programs and opportunities for employment, such as the United States."

Allan said that foreign students aren't eligible for student loans and many scholarships are restricted to Canadians.

"They are not allowed to work while in Canada and they are often subject to foreign currency exchange difficulties."

And further reasons were adduced.

We say in this part of the House that the biggest reason is one of, call it, world co-operation or a contribution that is way out of proportion, way in excess of the \$800,000 it's estimated that repeal or revocation, or whatever it's called, of the 50 percent rule would entail. I would ask the minister, Mr. Chairman, if he would respond to the university's concerns in that respect.

I do try hard not to make requests which entail great or, indeed, any increases of money, because I realize that we have to be careful in all areas. But university and other higher education funding has suffered a real decline in the last 10 years. There are other areas of our economy in the province which have been much better treated than that, Mr. Chairman, so to give somewhat in this area would be the part of compassion and prudence.

Next, an area that I'm not entirely familiar with myself, so you will forgive me if I talk a tiny bit of nonsense at some point, but I'm sure the minister will know what I'm referring to. It is the system by which the Students Finance Board pays back a portion of the student's loan to the lending institutions. I understand that the board presently uses a yearly reverse order remission structure of 50 percent, 40 percent, 25 percent, and 25 percent respectively year by year. But this structure creates an inequality between college and university students. A two-year college student could realize total remission of 45 percent on their loan while a four-year university student would have a maximum remission rate of approximately 35 percent — or maybe exactly 35 percent. So this creates two classes of students, in effect, so far as financial help is concerned or, to put it another way, so far as financial disincentive is concerned.

Perhaps the government could consider accepting the recommendations of a joint study by the Students' Union executives of Edmonton, Calgary, and Lethbridge — mind

you, those are just the university Students' Unions — suggesting a flat remission rate of 45 percent for all post-secondary students across the province. This would create parity between college and university students and parity within each institution. At present a student that requires financial assistance in the first year of studies knows that he or she will be only responsible for 55 percent of that assistance. A student in the third year pays 75 percent. At a time when so many students, because they can't get meaningful jobs, are trying to increase their skill in the labour market by scraping together money to stay in university, Mr. Chairman, I submit that the flat rate suggestion has a lot of merit. I would greatly appreciate hearing from the minister on that point too.

If I can return for a moment, Mr. Chairman, to this question of the operating grant increases being below the rate of inflation for this year, as for nine of the last 10, perhaps the figures put together will bring home the point with clarity. Inflation last year was 4.3 percent. The increase this year for the Alberta Vocational Centre Calgary in its operating grant is 2.2 percent; NAIT, 2.7 percent; SAIT, 2.7 percent; Fairview College, 3.3 percent; Keyano College, 3.1 percent; Lethbridge Community College, 3.3 percent; Medicine Hat College, 3.7 percent; Mount Royal College, 2.2 percent; Red Deer College, 2.8 percent; Athabasca University, 3 percent; the University of Calgary, 3.4 percent; the University of Lethbridge, 3.9 percent; the University of Alberta, 3.4 percent.

If enrollment were declining, that might be some reason, but we know that the opposite is the case. Enrollment is not declining. So I suppose this gives rise to a further question to the minister. In what areas are economies to be made in time of expanding or at least static enrollment and the greater need for initial student upgrading due to an apparent increase in compositional and writing skills currently in the entering students?

Mr. Chairman, may I speak a few words about Fairview College and its involvement in the estimates? Fairview College and the Fairview College Foundation are working to build a major recreation complex at the college, which is a very good idea. A lot of good work by local people has gone into it — much needed in the area too. It would be a considerable help to them if the department through its minister could make a public endorsement of the idea and make some commitment to reasonable financial stimulation for the project. It may be that this has been taken into consideration in the grants for Fairview College, but again the operating grant does not seem to say so. Its percentage increase is 3.3 percent, which is less than the average for public colleges.

Lastly, Mr. Chairman, I wish to advert again, in the sense that our caucus raised the matter last year, to the need for a university in the northern half of the province — I mean a residential university in the ordinary sense, in view of the fact that Athabasca is just in the northern half of the province. It is our submission that there is a large enough pool of students to justify one such university in the northern half of the province, particularly in the Peace River area. It could draw from the Peace River area whether in British Columbia or in Alberta. Perhaps there could be a joint funding approach on that aspect. It's certainly equal to the catchment area for the University of Lethbridge. We have introduced a Bill on that, Mr. Chairman, but we aren't holding our breath for the implementation of that Bill. Nonetheless, if the minister could let us have the government's impression of that idea, it would be of considerable interest

and, one would hope, hope to the residents of the Peace River area.

Thank you very much, Mr. Chairman.

MR. RUSSELL: Mr. Chairman, I realize there are more people on the speakers' list, but I'm concerned that just about everyone who is speaking is making the same basic mistake, which is probably due to an inadequate explanation on my part or confusion with respect to the documents that are in front of us. My notes show that I was very clear, that I said every institution is getting a minimum increase of 4 percent in their operating grant. I can see where the confusion has arisen, because in comparing last year's figures with this year, last year's figures included capital grants for capital construction. Those have been removed this year and are now in the new capital fund that the Treasurer is providing. So it does show that big decrease.

My friend from Calgary Buffalo referred to Mount Royal College as an example, and I have a copy of the letter that was written to their board chairman in April of this year. The first line says that they are getting a minimum 4 percent increase, and that applies to every institution across the province. So although the printed arithmetic may look confusing, I want to interject again, because so many members have brought that up and it's a mistake in interpretation.

MR. McEACHERN: A point of order for clarification. I thought the Treasurer had indicated that the figures for 1985-86 had been reorganized so that the categories were the same for the two years. Is that not right? When there is a .3 percent increase there, then that's what it's supposed to mean. Do you understand what I'm saying?

MR. JOHNSTON: Mr. Chairman, just to pick up on the member's point. In the case of Advanced Education, we wanted to flag the very point that the minister just made, that we have changed the funding for the capital projects. Therefore, in the case of the capital vote it will show in the elements that \$59 million was spent last year in the capital construction grants and none this year. That is simply by way of comparison to show that we have changed the approach to funding of universities and colleges in this case and that money is now showing up in the capital fund as another appropriation, another expenditure of that fund. What the minister has indicated in terms of comparisons is obviously going to throw the statistics out; that is, a 47.9 percent reduction, when in fact, the expenditure has taken place in another vote.

Mr. Chairman, with the Legislature's approval, maybe I'll simply run through the other elements of capital, acknowledging that it is difficult to reconcile these amounts in these books. I will attempt, at least for a second, to try to pick up the capital amounts that are shown in the elements aside from the capital amount spent in the capital fund that I referred to.

The amount, Mr. Chairman, that we're looking for is the amount of \$90,957,000. First of all, these data do not break out, in terms of grants by the government to institutions, a separation of capital or operating. We simply consider them all to be transfers to the facility, and therefore there is a particular problem in terms of that capital item. We also have to break out the amount of money which the department is spending as a capital item and that which is appropriated for board-governed institutions in an aggregate sense.

On the various votes starting with vote 1, we have a capital item of \$106,950. We have a capital item in vote 2 of \$1,582 million, and we have capital item in vote 3 of \$57,700. Those are the appropriations of the department in terms of capital expenditures.

At the same time, Mr. Chairman, you'll notice that there is in the details a transfer on capital of \$62,740 million for board-governed institutions. Similarly, Mr. Chairman, I've picked up the \$1,582 million, I believe, which is the internal transfer or purchase, because these are publicly administered institutions. These are paid for by the government itself.

The difficulty, and here's where it does become a little more difficult to allocate, is in picking what also is included in capital, and that's the payments under the endowment fund. These endowment fund items are also considered to be capital. They amount to \$25.2 million, and there's some additional \$1.2 million of capital in so-called program development amounts, but the major difference here is in the allocation of the endowment fund. It would be difficult if not impossible to pick it out of these estimates, but by way of process what we have always done is to show those transfers to board-governed institutions in the case of such things as program development consortia as a general grants transfer and not split it entirely as between grants and operating transfers.

It's up to the minister to decide how to go on with the details, but I have to confess, first of all, that it is very difficult to reconcile the capital in this particular account, and in the case of the endowment fund, we have to recognize that the endowment fund shown here of \$26,200,000 in the elements is made up of capital of \$25,200,000 and operating of \$1 million as well. I should also note that the additional \$51 million in the fund is additional capital expenditure.

MR. HAWKESWORTH: Mr. Chairman, if I might. I appreciate that the Provincial Treasurer has had the evening to kind of walk through it in his own mind. In explaining it, if you'd maybe go through it a little more slowly and kind of refer to pages so that I can at least find the reference to the dollar amounts which you alluded to — if you'd be so kind. Thank you, Mr. Chairman.

MR. JOHNSTON: Mr. Chairman, I'll simply check off the elements of capital that jump out of the summary book, which is the big estimates book. In that big estimates book the amounts that jump out at us quickly under either purchase of fixed assets or capital include the \$106,950 on page 3. It also includes the \$1,582 million of fixed assets under vote 2, the \$62,740,515 under vote 2, and fixed assets of \$57,700 in vote 3. The purchase of fixed assets are assets acquired by the department, and I'm sure the minister can go on to explain that. The \$62 million deals with the capital transfers to board-governed institutions.

If we go to the element book, which is the smaller binder, this is where it becomes more difficult. And I have to be the first to agree that the information isn't perfectly provided. If we look at vote 2, assistance to higher education, we see something called "1980s Endowment Fund, \$26,200,000." Of that \$26,200,000, \$25,200,000 is for capital transfer to enrich the capital projects or capital transfers by way of endowments to the universities and colleges. The program support includes both capital and operating, so it's impossible from this information with respect to the endowment and the consortia to eliminate or to elicit from that the capital and the operating. Therefore,

if it's requested, we usually provide it separately. In vote 2.1 to 2.1.8 there is another \$25,200,000 and there's another \$1,270,000 which is included in other items such as the transfers to consortia, program development money, and the innovative projects, which is also by definition capital.

Mr. Chairman, again, it's extremely difficult in this vote to break out the capital elements without knowing, for example, that the large percentage of the endowment is considered to be a capital element.

MR. HAWKESWORTH: Mr. Chairman, if I could ask one follow-up then in terms of the \$51,668,000 contained under vote 2 in this document. I can see some reconciliation with the previous year of '85-86, \$59,100,000, which appears under capital construction grants, but there's no equivalent amount included in the '86-87 estimates. So you may have explained it already but I'd like you — okay, thank you, if you'd proceed.

MR. JOHNSTON: The \$59 million now must be compared to the approximately \$51.6 million in the capital fund, because the transfers to board-governed institutions for capital purposes for hospitals and advanced education now take place out of this fund. So in the estimates, to show that in fact we made a change in policy — obviously, it shows up here in terms of percentage — and to show that this fund is now in place, we're flagging it in that fashion. This fund includes other capital elements of \$51,668,000, which will be for board-governed institutions. As well, of course, you'll notice that in vote 2.8, under the summary by elements, the small loose-leaf, an amount of \$2,362,000 is for the actual retirement of the cost of the fund for 1986-87 of these assets.

MR. McEACHERN: One final question, a very short one.

MR. CHAIRMAN: With respect, members of the committee want to put questions to the minister who's putting his votes forward. We've now spent seven minutes on a point of order.

MR. McEACHERN: It's a very straightforward, short question.

MR. CHAIRMAN: If it's six seconds or less, go ahead.

MR. McEACHERN: Is the Minister of Advanced Education then telling me that, for example, the Northern Alberta Institute of Technology, which according to this is getting \$60 million or an increase of 2.7 percent — that really that's not correct in terms of operating budget, and they're really getting 4 percent or better?

MR. RUSSELL: Every institution is getting a minimum of 4 percent on the operating part of their budget.

DR. ELLIOTT: Mr. Chairman, through you to the Provincial Treasurer and the Minister of Advanced Education. I have some very brief comments. I will start with a brief statement which says that there are two things I deplore: waste and clutter. I deplore the waste of time and I deplore the clutter in *Hansard*, so I'm going to do my bit to avoid both.

Mr. Treasurer, I want to compliment you on bringing in a budget which is beautifully tailored for a province like Alberta at this time. To our Minister of Advanced Education: with your experience in the various departments you've

managed over the years for this province, sir, the business and the affairs of advanced education in this province are indeed in good hands. I'm looking forward to your very helpful comments with respect to the near future and the long-term plans for Grande Prairie College.

Thank you.

MR. PASHAK: Mr. Chairman, I'd just like to ask the minister some general questions about the established programs financing Act. My understanding is that historically, at one point, the federal government made money available for postsecondary education in Alberta and other provinces for very specific purposes, but in recent years the practice has been to fold those revenues into the general revenues of the province. In some provinces, and I'm not saying that that's true of Alberta, what's been happening is that provinces have decreased their spending commitments to advanced education by a corresponding amount. My basic question is: just how do we handle funds that we receive through the established programs financing Act? Because of this practice that has been occurring in other provinces, my understanding is that the federal government has announced that they're going to roll back these transfers of funds. I just wonder how that's going to affect the financing of postsecondary education in Alberta over the future years. Are we going to have to raise additional moneys to match those grants that are going to be cut back, or are we going to experience cutbacks in postsecondary education generally?

I have a more specific question about Mount Royal College. I hope I'm not in a conflict of interest position here, because I once taught at that institution. It seems to be a general kind of systems problem, Mr. Chairman. It's that we put money into new facilities — and I think the province has been really good at creating new institutions. I know there's been a very significant expansion at Mount Royal, but it has meant a 40 percent increase in faculty. According to newspaper reports, and I guess information within the college — I don't know how valid that is — the college is experiencing a shortage of funding in terms of meeting the expansion of this institution. I think the same problem appears at Grande Prairie College with respect to the visual and performing arts department. At Red Deer they opened a new theatre facility. I think both those institutions, as well, experienced funding problems in terms of their operating budgets to meet these expanded facilities.

MR. PIQUETTE: As well, Mr. Minister, I want to be fairly brief. We're very fortunate in the Athabasca-Lac La Biche constituency to have both AVC, Lac La Biche and Athabasca University, which is probably one of the most innovative types of universities in Canada in terms of the programs it offers not only to Albertans but right across Canada.

In terms of Athabasca University, after the building of the facilities in Athabasca a few years ago, there's been a real takeoff in the programs. It was mentioned before that last year they experienced a 35 percent increase in enrollment, and you're saying that we're looking at approximately 4 percent — 3 percent from what it indicates here — in terms of the actual grants going to Athabasca University. In terms of its expanded type of mandate — and by the way, it's the third largest university in Alberta in enrollment numbers; it has over 11,000 students — how is the staff going to be able to realize this mandate in terms of the funding that has been allocated there?

In terms of AVC, Lac La Biche, again, a beautiful facility just being completed, increased enrollment — and I notice it's the only institution facing a 13 percent drop in funding for 1986-87. I don't see how it can relate to a 4 percent increase in the operational aspect there. Maybe that can be clarified as well.

AVC, Grouard: where is the capital cost of student housing? Is that included in a separate department, as was explained before? From what I understand, there is a very serious housing need at the Grouard AVC, and that is supposedly being constructed or tendered this year upon completion of proper consultation with the native community there.

Another thing that I'd like to ask a question about is maintenance. I've been approached by several institutions that we've been privatizing the janitorial and maintenance aspect of our institutions. The quality of the maintenance, from what a lot of people have told me, has decreased quite a bit. Looking at site and utility maintenance, we have a 26.9 percent increase. If we're supposed to be privatizing maintenance, why are we looking at an increase of 26 percent over '85? If the maintenance quality has deteriorated and the cost has gone down, from what I've been told — for example, the privatized contract has meant that a lot of people who used to work at AVC, Lac La Biche, have lost their jobs, and the private contract, which was awarded outside of Lac La Biche, by the way, to an Edmonton firm, has created a lot of low-paying jobs and they have been unable to attract good-quality janitorial staff in the institution to maintain the same standard as before. I believe they've just retendered that contract because of the previous problem there. So I don't see how the figure of 26 percent can translate into better maintenance for the provincial institutions.

Those are the main questions I have. Thank you very much.

MR. MUSGROVE: Mr. Chairman, I certainly would like to congratulate our Provincial Treasurer and Minister of Advanced Education on bringing forth a budget of this category, particularly in a year of restraint. It's very important to our youth of today that there be educational opportunities and funding when the jobs are not that easy to get so that they can carry on with their education. It's encouraging that there were no programs cut and that all the previous programs will be implemented with what I would call a significant increase for these days.

I would like to make a few comments as to how the budget affects the Bow Valley constituency. As I've said in the House before, we have what we call the Brooks Campus of the Medicine Hat junior college. It was started some years ago, in the late 1970s, and was housed in what we call the old hospital building; it's a renovated hospital. It shares the space with some other service departments and has increased in population quite rapidly. At the present time we have approximately 250 full-time college students, and they also offer a great many part-time programs, particularly night programs for people who want to upgrade their education or take a few university courses.

Maybe I missed something, Mr. Chairman, but I looked through the budget and didn't find any capital expenditures for Brooks Campus or for Medicine Hat junior college. Some years ago there was a parcel of land donated for the construction of a college building in Brooks. It's 60 acres of land in a prime location to put a college building on. It's quite accessible, and it's also right next to the provincial

horticultural station. The fact is that the present facilities are overcrowded. I was through the junior college a few times this spring, and I find that their classrooms are overcrowded and their laboratory is far from adequate. With the number of students we have still growing, we are waiting the day when we will be awarded a building in Brooks for our college.

Mr. Chairman, that is the particular interest we in Bow Valley have. I would ask the minister if there are any plans in the future with a date set when we can look forward to a junior college building in Brooks?

MS LAING: Mr. Chairman, we're assured that the operating increase is 4 percent, which would keep up with the cost-of-living increase, but there is also an increased enrollment of 2.2 percent, which seems to have been happening over the years and has not been taken into account in terms of funding. This has resulted in decreasing class/teacher ratios and larger classes. After having been a student and a lecturer at the university for a number of years, I'd like to comment on that.

In the past year there was a great hue and cry about the lack of competency in the use of the English language by students who were in their second, third, or fourth years of university training, and they had successfully completed courses for that length of time. The question was: how could they complete two years or four years of university without anyone picking up on their lack of competency in the use of the language? Part of the problem is that the classes are very large, the format of the classes is lecture material, and the examinations are multiple choice exams, so that at no time does a professor have an opportunity to monitor or evaluate the students' competency in the use of the language. This is particularly serious in the Faculty of Arts, which is really based on the exploration and discussion of ideas, and in the Faculty of Education, where students are being trained to teach and the use of the language is necessary to transmit ideas. Also, teachers must be able to use the language if they're going to model language usage to their students. I was teaching in that faculty and in some cases found students that couldn't spell and put together a complete sentence, never mind an essay. Our concern was that they spent several years without having that kind of experience; that is, of writing papers. Other disciplines also have a great need to communicate ideas, even the science disciplines. Knowledge is not very useful unless we can in fact communicate it, and classes in some of those faculties are 200, 300, or 400 students. They're going through four years of multiple choice exams.

The other concern that I have with large classes is that the goal of advanced education is to generate and evaluate ideas and different approaches. Discussion within the class and with the professor is necessary if that is going to happen. In a large class that cannot happen. What a university is all about is the development of critical and creative thinking, and that cannot happen because much of what happens at the university is the lecture format where students in fact are almost forced to rote learn material that is presented in the lecture. Rote learning may be applicable to elementary school children when they're learning the multiplication tables, but it's certainly not appropriate at the university level.

Another problem with large classes at the university is that they interfere with the student/professor relationship. My experience was that young students in their first year were often afraid and shy and needed to be able to relate

to someone, and many of them in fact dropped out because they found the university experience so alienating to them. Again, professors need to be able to foster creativity in the brighter students, and that doesn't happen if you have 300 students. So students often feel very alienated in the process, actually feel like rats running through mazes and jumping through hoops.

In addition, they do not have an opportunity to relate their learning to their life experience or how they will use it in the workplace. Again, it's just memorization or learning facts. They often feel that much of this is very irrelevant to the work that they will be doing.

Another concern I have is the focus on knowledge rather than understanding. Understanding comes through discussion and working through it: how does this work in our lives? Because professors do not have the time or the resources to mark essays, large classes mean that students do not have an opportunity to study independently and research and write up new ideas and put together information in a new way.

Another concern I have about this budget is the number of man-years that are indicated, which would indicate to me temporary positions and a lack of benefits and security to the employees at any level, and that's a hardship on the employees. In teaching positions that means there's a lack of continuity in the teaching and of the possibility of the professor aiding ongoing research. It also means the professors may not in fact continue to develop expertise in areas of their specialization. It makes it very difficult to keep really good staff, because they will move on and leave the university. I think similar things are also happening at our vocational centres in that man-years are being substituted for permanent employees.

Thank you.

MR. CRAWFORD: Mr. Chairman, I know the minister will want to respond, but my proposal to the members is that that could be on some other occasion. I accordingly move that the committee rise, report progress, and ask leave to sit again.

[Motion carried]

MR. CHAIRMAN: Before the committee rises, the Chair would like to make a comment. At the beginning of the committee, the Chair suggested that to maintain some system of order in the House, the Chair would keep a list of those wishing to speak on the estimates of Advanced Education. The Chair has done that. We have some 17 members remaining. The Chair is in the hands of the committee. If the committee members wish — obviously they all wish to make comments — the Chair would maintain the list for the next time the Department of Advanced Education is called. Otherwise, the list will be destroyed, and we'll start again from scratch.

I'd like the guidance of the committee. Let me put the question: would those who prefer the Chair to retain the list for the next time the committee is called please say aye?

HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed? Carried.

[Mr. Deputy Speaker in the Chair]

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

MR. DEPUTY SPEAKER: Having heard the motion that the committee reports progress and begs leave to sit again, all those in favour please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed, please say no. Motion carried.

MR. CRAWFORD: Mr. Speaker, the business for tomorrow. I would propose dealing with Motion 10, of which notice

was given in Votes and Proceedings today, that the report of the special committee recommending the membership of all the standing committees be received and concurred in. The balance of the morning and afternoon, until 12:30, would be a continuation of the debate on the address in reply. The *Standing Orders* — I'm mentioning this, Mr. Speaker, because we have so many new members — require that the vote on the address in reply be taken at 12:30. Then there is one more formal motion, and I think that would be the time to call it 1 o'clock tomorrow.

[At 10:40 p.m., on motion, the House adjourned to Friday at 10 a.m.]

