

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, July 4, 1986 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Deputy Speaker in the Chair]

head: **PRESENTING PETITIONS**

MR. SCHUMACHER: Mr. Speaker, I beg leave to present the following petitions that have been received for private Bills:

1. the petition of Rev. J. Robert Jacobson, Rev. Dan Berg, Rev. Philip Hink, Rev. Irvin Hohm, Rev. Laverne Hoveland, Rev. Lothar Schwabe, and Rev. Len Stengel for the Alberta Synod of the Evangelical Lutheran Church in Canada Act;
2. the petition of Rev. Marvin Dynna, Rev. Wally Richl, Rev. Robert Johnson, Rev. Jack Keys, and Gerry Walters for the Northwest Bible College Act;
3. the petition of Stephen S. Singer, Walter C. Barron, Q.C., Robert James Sinclair Gibson, Donald Douglas, and William Pressé, for the Oxford Trust Company Ltd. Act;
4. the petition of the municipal district of Rocky View No. 44 for the Canada Olympic Park Property Tax Exemption Act;
5. the petition of Roy Louis, Muriel Stanley-Venne, and Rufus Goodstriker for the Alberta Native Business Summit Foundation Act;
6. the petition of Timothy Z. Marshall for the Timothy Z. Marshall Bar Admission Act;
7. the petition of the Calgary Research and Development Authority for the Calgary Research and Development Authority Amendment Act, 1986;
8. the petition of the city of Edmonton and Northwestern Utilities Limited for the City of Edmonton and Northwestern Utilities Limited Agreement Act, 1986;
9. the petition of the Lethbridge General and Auxiliary hospital and nursing home district No. 65 for the Galt Scholarship Fund Act;
10. the petition of Marek Henryk Kupiec for the Joanna Olivia Kupiec and Agnieszka Jennifer Kupiec Adoption Act;
11. The petition of Jerry Selinger, Jim Leonard, John Edwards, and Don Patterson for the McMan Youth Services Foundation Act;
12. the petition of the St. John's Institute for the St. John's Institute Amendment Act, 1986;
13. the petition of the Institute of Management Consultants of Alberta for the Certified Management Consultants Act;
14. the petition of Most Reverend Bishop Paul J. O'Byrne, William D. Dickie, Q.C., the hon. Frank H. Quigley, Roy A. Farran, and Yolande Gagnon for the St. Mary's College Act.

head: **TABLING RETURNS AND REPORTS**

MR. HORSMAN: As required, Mr. Speaker, I table the financial statements of the Alberta General Insurance Company for the period ended December 31, 1985.

I also wish to file with the Assembly — and all members will receive a copy — an outline of the U.S. countervailing duties investigation of certain softwood lumber products from Canada, with a procedure and timetable attached thereto, as I indicated I would do in answer to a question from the hon. Leader of the Opposition in the Assembly.

head: **ORAL QUESTION PERIOD****South Africa**

MS BARRETT: Mr. Speaker. I would like to direct my first question to the Solicitor General. It follows upon his decision a few weeks ago that the ALCB will no longer seek the procurement of liquor products from South Africa. I wonder if the minister would advise the members if it will now be government policy to follow the lead set by Manitoba and donate the profits from the sale of existing stocks of South African liquor to charities, particularly antiapartheid groups. [some applause]

MR. ROSTAD: That's the first time I've ever been applauded for standing up, Mr. Speaker. Alberta has always been recognized as being a leader and not a follower. The decision of Manitoba is in their own jurisdiction.

MS BARRETT: Mr. Speaker, I wonder then if the Solicitor General would outline just what the government plans to do with the profits from the sale of the existing stocks of South African liquor. Just as usual then?

MR. ROSTAD: Mr. Speaker, the profits from the Liquor Control Board operations are normally put in the general revenue of the province, and that will be the normal procedure.

MS BARRETT: I wonder if I could ask a supplementary question then to the Minister of Economic Development and Trade, Mr. Speaker. Could the minister advise what steps the Alberta government has taken to discourage the export of sulphur products from Alberta to South Africa?

MR. SHABEN: Mr. Speaker, in an earlier question period the Minister of Federal and Intergovernmental Affairs described to members of the Assembly the position that had been taken by the federal minister of External Affairs and the request that had been conveyed to the province of Alberta, with which we concurred. That's the action we have followed, upon the request of the minister of External Affairs.

MS BARRETT: A final supplementary, Mr. Speaker. I wonder then if the minister for economic development is prepared to meet with the Alberta producers of sulphur to discuss the possibility of a voluntary suspension of exports to that apartheid regime.

MR. SHABEN: Of course, Mr. Speaker, in the last few weeks I've met with representatives of a number of sectors of the Alberta economy. I suspect that in the weeks ahead

I will be meeting with key producers of sulphur. That's an important export commodity for the province of Alberta, and we are a major exporter to many countries of the world. But at this stage we have no intention of interfering with the private sector and their trading anywhere in the world.

There are a number of countries with which individual members may disagree with their internal policies, but our position as a provincial government has been not to interfere in the external affairs policy of this government. But we will respond, as appropriate, to federal initiatives that relate to external affairs. My colleague the Minister of Federal and Intergovernmental Affairs may wish to supplement my answer.

MR. HORSMAN: Mr. Speaker, the hon. Minister of Economic Development and Trade has indeed put the situation we have followed as a government relative to international trade matters. It has been the position of the government of Alberta to consult closely with the federal government on all matters relating to both import and export policy. That is particularly important now in view of the role that we are playing relative to the multinational trade negotiations and the bilateral trade negotiations with the United States. We intend to follow that long-standing policy with respect to this, as other matters that will come forward in due course and as I expect they will over time.

MRS. HEWES: I have a supplementary, Mr. Speaker, to the minister. Is the government then considering any other moves in consultation with either the federal government or the private sector regarding imports or exports to South Africa to show our displeasure with the continuing apartheid policy?

MR. SHABEN: Mr. Speaker. I think the answer to that question is contained in earlier responses, not just today but earlier in question period with respect to how the province responds to policy matters that are the responsibility of the federal government.

One of the questions I think all of us need to bear in mind is what the consequences are of trade with other countries in terms of the impact on the people who live in those countries. That of course is a matter that is always considered by the External Affairs people when making decisions with respect to our trading relationships with other nations.

Advisory Council on Women's Issues

MS BARRETT: Mr. Speaker, for the second question this morning I'd like to ask the minister responsible for the Women's Secretariat if he can explain, in the absence of a legislative authority for the Women's Secretariat or the council on women's affairs, under what authority this outfit operates, leases space, purchases furniture, hires staff, et cetera. Could he please explain?

MR. ANDERSON: Mr. Speaker, could the hon. member clarify if she's talking about the secretariat or the advisory council?

MS BARRETT: The advisory council.

MR. ANDERSON: Thank you. With respect to the advisory council, the government established its commitment and

made it clear by appointing an individual who would act as chairperson of that advisory council and by allowing for initial expenditure, rental of office space, and so on. It's the intention of the government to introduce legislation in this session that we'll have an opportunity to discuss, which will precede any further moves in terms of appointments to that council.

MS BARRETT: I wonder then if in the absence of this legislation — I see it's not on the Order Paper yet — if the minister could outline what the current goals of this phantom council are at this point.

MR. ANDERSON: Mr. Speaker, I'm sure those goals will be discussed at length by the hon. member opposite and others when the legislation is introduced into the House.

Clearly, the government has a commitment to establishing a council, which will include women from across the province and which will advise us on issues of importance to women in Alberta. Further debate of that issue, though, I would suggest should await the legislation when it comes into the House.

MS BARRETT: I look forward to it, Mr. Speaker. I wonder then if the minister would just elaborate a bit further. You know I don't want to prejudice the outcome of the legislation, but would he advise if that council currently has authority or some form of mandate to pursue means by which women can achieve equality in Alberta?

MR. ANDERSON: Clearly, Mr. Speaker, because there isn't a council established by this House or by order in council, there is not a body that has that authority under that name.

The Women's Secretariat, which has long-standing interest in that area and a mandate to advise and do research, does in fact assist in that regard. However, the current chairperson of the council does have authority by contract to the government to discuss with women's organizations throughout the province what issues will be of importance once that council is fully established and also to discuss with them the fact that the intent of the government is to establish such a council and to give us feedback on what indeed we need to consider in terms of introducing that legislation.

I might add, Mr. Speaker, that I've enjoyed having the opportunity in recent weeks to talk to a cross section of women throughout Alberta, meet with them, and discuss by telephone their opinions as to what should be included in that council and what should be included in the legislation. I look forward to discussing the results of those meetings with members of the Legislature.

MS BARRETT: I wonder then if the minister would advise whether or not this precouncil, which doesn't really have a mandate, at least enjoys an arm's length distance relationship from the government for now?

MR. ANDERSON: Mr. Speaker, arm's length distance relationships are hard to define at best. I suppose the chairperson-elect of the council has the opportunity to discuss the council and what it should entail with women throughout Alberta, as I've previously indicated. In terms of other responsibilities, those will await the legislation.

MRS. HEWES: A supplementary to the minister, Mr. Speaker. Will he undertake to this Assembly to introduce

a Bill on the women's advisory council that is separate from the Women's Secretariat Act?

MR. ANDERSON: Mr. Speaker, that's one possibility that I'm giving consideration to and am looking forward to discussing with my government colleagues. The member will have to await the introduction, though, to see if in fact that's the direction we proceed.

Employment Initiatives

MRS. HEWES: Mr. Speaker, my question is to the Minister of Labour. Mr. Minister, a minister of the government has said that the unemployment rate in Alberta is higher than 10.7 per cent. Does the Minister of Labour have any idea what the current employment rate in Alberta truly is?

DR. REID: Mr. Speaker, I'd like to ... He's not here. I'm not the acting minister of employment and manpower, but I will take the question under advisement on behalf of the minister responsible for it.

MRS. HEWES: Mr. Speaker, perhaps you'd like to try this one. In view of the fact that in Ontario unemployment is at 7 per cent and minimum wage at \$4.35 and in B.C. the situation is reversed with unemployment high and the minimum wage low, does the Minister of Labour have any studies that give evidence that raising the minimum wage would be a direct cause of increased unemployment?

DR. REID: Not within the department, I don't think. But we can check with the statistics from Statistics Canada about the various provinces.

MRS. HEWES: Mr. Speaker, if the Minister of Labour can't answer these questions, perhaps the Premier would like to try them. Mr. Premier, the Minister of Manpower has indicated he won't consider raising the minimum wage until the unemployment rate drops to 4 per cent. Can the Premier give this House and the people of Alberta any indication of the government's plans, targets, and timing to reach such an objective?

MR. GETTY: Mr. Speaker, the matter of the minimum wage is something that is reviewed annually, even more often than that because it is a matter that is important to the province and the people of the province. In terms of working to lower the unemployment rate, the government is obviously concerned with that and working very hard in that direction.

The hon. member might know that in this budget and in our throne speech we have initialed the largest job-creation effort in the history of Alberta. It's an indication of our concern for unemployment that is to a great extent caused by factors beyond our control. Nevertheless, we have taken on the responsibility to try to do everything possible to find employment for the people of Alberta.

We are doing that in a variety of ways. We are doing it in the area of training and retraining. We're doing it with the largest capital budget in history with \$2.8 billion. One only has to travel in Edmonton these days and in other cities and towns to see construction that is going on on roads, potholes, and expansions. This is the capital budget working and providing jobs. We are doing it by strengthening the agriculture industry. We are doing it by strengthening the energy industry. We are doing it with the municipal

job-creation program of \$500 million to municipalities. We are doing it with our tourism projects, Mr. Speaker. We are doing it in a variety of ways, ways that are probably better discussed other than in the question period. But I think it should be clear to every member in the House and the people of Alberta that the largest job-creation effort in history is currently under way.

MRS. HEWES: Mr. Speaker, it's not working. Mr. Premier, does the government have statistics as to the numbers and types of employment of those people in our province who are presently working at \$3.80 an hour?

MR. GETTY: Mr. Speaker, it's quite possible that the Minister of Manpower would have that information. When he's back in the House. I'm sure we'll ask him to see if the department has it, and he can provide it to the members of the Legislature.

MR. STRONG: A supplementary to the Premier, Mr. Speaker. In his response the Premier indicated to this Assembly that we in Alberta are going on a massive job-creation program that is the biggest effort in Alberta's history. [interjections]

MR. DEPUTY SPEAKER: Will the hon. member come to the question, please.

MR. STRONG: Mr. Speaker, my question to the Premier is: where are those jobs being created?

MR. GETTY: Mr. Speaker. I guess I started to explain it to the hon. member, and he wasn't listening, because I responded to the Member for Edmonton Gold Bar. The jobs are being created, first, in the strengthening of our agricultural industry, the efforts of the government to assist with agriculture with the \$2 billion of assistance there, and with the other programs that have been put in place by the Department of Agriculture.

We are assisting with \$600 million in the energy industry. That is creating jobs ...

MR. STRONG: It's costing us ...

MR. GETTY: Well, listen. You asked the question. If you don't want to hear the answer, then don't ask the question.

Mr. Speaker, there is \$600 million in the energy industry. That comes in the way of royalty relief, exploration drilling assistance, and industry activity. There's the \$750 million for small business. Small business is the engine of employment in this province. Again, we'll be creating jobs there. As I said, it's in the largest capital budget: work in parks, irrigation, dams, streets, paving, buildings, and all these things. Then there's the assistance of \$500 million to municipalities.

Mr. Speaker, this is the largest job-creation effort in the history of Alberta. I've only touched on half of them. There's the assistance for the magnesium plant and the pulp and paper plant. There is a laser disc plant considered for Grande Prairie. There are a variety of ways in which this government is working. There's a new emphasis on tourism. There's a new emphasis on forestry. In the Hinton area we are considering a major expansion of that operation in forestry. The government is dealing with all of these matters in providing jobs for Albertans.

Now, it's true there are factors beyond our control which we are unable to shut off. Nevertheless, we are working on the largest job-creation effort in the history of this province for the people of Alberta.

Toxic Waste Disposal Plant

MR. R. SPEAKER: Mr. Speaker, my questions are to the Minister of the Environment, and they're in follow up to my questions on Bow Valley Resources and the agreement that may be signed between them and the Alberta Special Waste Management Corporation. I think this seemingly sweetheart deal has to be explained in this Legislature. The minister answered some questions yesterday in terms of 15.3, but I'd like to ask a question on section 15.4 of the agreement for further clarification. Can Bow Valley Resources use its ownership position in the joint venture as collateral with which to obtain the loan for their portion of the agreement?

MR. KOWALSKI: Mr. Speaker, I thought I had responded to that question yesterday. Quite frankly, Bow Valley Resource Services cannot do that without the approval of the other partner in the joint venture, which is the Alberta Special Waste Management Corporation, and without the approval of the government of Alberta.

MR. R. SPEAKER: A supplementary question to the minister. Could he indicate at this time whether the government is prepared to give that approval to Bow Valley Resources so they can use their portion as collateral?

MR. KOWALSKI: Mr. Speaker, at this point in time we are certainly not prepared to do that. We're talking about a joint-venture agreement that is just beginning to be established. Written into the joint-venture agreement and the memorandum of understanding is a review that will take place in three years, in 1989. At that point in time the memorandum of understanding provides for certain steps that can be taken if the government is not satisfied with what is happening, including a buy out of Bow Valley.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Could he indicate that a total review is being taken with regard to the financial position of Bow Valley Resources, and is the minister satisfied at this time that their financial position is adequate to take on their responsibilities in the agreement without default?

MR. KOWALSKI: Mr. Speaker, that review has been ongoing, and I have been advised by the board of directors of the Alberta Special Waste Management Corporation that they are satisfied with the financial position of Bow Valley Resources.

MR. R. SPEAKER: A final supplementary question for today. Could the minister indicate what position we are in at the present time with regard to that agreement? When the memorandum of agreement was signed, I understand that March 31, 1986, was to be the finalization of the agreement. At this point in time is there another date set for final agreement? If there is not a date established at this time, what problems are being encountered in terms of a delay in the agreement?

MR. KOWALSKI: Mr. Speaker, when the memorandum of understanding was signed in March 1986 I recall that

there was a date given of March 31, 1986, to bring the whole matter to fruition. I do not believe there are any major problems holding anything up, other than the normal dotting of the i's and crossing of the t's and the request that I have made as the new Minister of the Environment to have an opportunity to review the whole agreement clause by clause and to satisfy in my own mind that it's in the best interest of the people of Alberta.

MR. YOUNIE: Mr. Speaker, in view of the one-word answer I was given yesterday, I would like to ask the minister if he can outline exactly which provision in the interim agreement requires that BVRs use money it receives from the government to run the Chem-Security plant rather than to service its own rather frighteningly high debt load. If there is no such provision, can he assure us that a provision will be put in the agreement before it is finally signed?

MR. KOWALSKI: Mr. Speaker, I appreciate the opportunity to respond further to the question raised by the Member for Edmonton Glengarry the other day. My short response yesterday was caveated on the basis of instructions given by the Chair to be brief in providing responses to questions, but I'd be very, very pleased to take an opportunity now to specifically answer the question from the Member for Edmonton Glengarry.

Perhaps it should be noted this way, Mr. Speaker. With your indulgence, sir, perhaps I could take just a bit of time to explain the relationship.

MR. DEPUTY SPEAKER: I hate to interrupt the hon. minister, but in fairness to the House there is quite a list of members requesting permission to ask questions. So I would ask the minister to be reasonably brief.

MR. KOWALSKI: Mr. Speaker, I appreciate that; I will be reasonably brief I feel that I'm being whipsawed here. One day it's to be brief; the other day it's to provide more information.

Essentially what we now have existing in the province of Alberta is an instrument that will lead us to a cleanup of the environment, and we are the leaders anywhere in North America with respect to this particular proposal. We have set up a Crown corporation called the Alberta Special Waste Management Corporation. We have then gone out in a public environment and asked people to provide submissions to us as to what kind of plant should be put in place.

A decision has been made for the type of plant that will be put in place, Mr. Speaker. Agreement and decision have now been made that there will be something called a joint-venture arrangement: 40 percent will be owned by the Alberta Special Waste Management Corporation and 60 percent by the proponent, in this case Bow Valley Resource Services. They will be the joint venture that will basically serve as the board of directors for the plant. An agency has now been selected to run the actual plant. That agency is called Chem-Security Ltd., which is a wholly-owned, Alberta-based subsidiary of Bow Valley Resource Services.

To be very, very specific as to how the thing will go to ensure that there is not a deflection of dollars. Chem-Security Ltd. — and it's very, very clear in the memorandum of understanding — will supervise the building of and operate the plant at Swan Hills with no profit to itself. It will build it on a cost basis. Chem-Security Ltd. will have not profit

accrued to it in terms of the arrangement. If there is a profit — and it's unknown if there will be a profit generated from this. Our concern is first and foremost with safety and improving the environment in the province of Alberta. In the agreement we have a three-year review period that will come in in 1989, at which time the whole system will be reviewed.

In terms of dollars that will be coming as a result of the operation of the plant, we don't know if there's going to be a profit at the moment. The plant will be operated on this basis: every 30 days a submission will be brought forward to the joint venture by Chem-Security Ltd. saying it needs X number of dollars to operate the plant for the next 30 days. Those dollars will be forthcoming from the two partners, Bow Valley Resource Services on the basis of 60 per cent and the Alberta Special Waste Management Corporation on the basis of 40 per cent. Every 30 days that will be adjudicated and adjusted.

MR. MITCHELL: Mr. Speaker, to the Minister of the Environment, who just stated that the Alberta Special Waste Management Corporation was established in order to clean up the environment in the interests of Albertans. Could the minister please tell us why the former chairman of that corporation was fired in December when he failed to recommend the proposed deal with Bow Valley Resource Services?

MR. DEPUTY SPEAKER: The Chair has some difficulty with the question. The question is to a minister who was not responsible at that time for the administration of that department. If the minister wishes to respond, I suppose that's up to him.

MR. MITCHELL: A point of order, Mr. Speaker. Is the government not responsible for that decision? Could somebody please tell us that, if not now, maybe the next time the House sits?

MR. DEPUTY SPEAKER: The minister has the current responsibility, and he can respond to the question if he wishes.

MR. KOWALSKI: Mr. Speaker, the caveat you put on it is, of course, that I was not the minister at the time. It's not my understanding that the former chairman was fired. I understand there was a parting of the ways. I suppose one could have a debate on this whole question. I'd be very, very pleased to get involved in such a debate. The former chairman is a man I know very well and one whom I have great respect for. But he is the former chairman.

Pork Industry

MR. SCHUMACHER: Mr. Speaker, my question is to the hon. Minister of Agriculture. I'd like to ask the hon. gentleman whether he has received any requests for financial assistance from pork producers as a result of the current industrial dispute.

MR. ELZINGA: Mr. Speaker, in responding to the hon. Member for Drumheller, may I indicate to him that on June 9 we received a letter from Mr. Ed Schultz, the manager of the Alberta Pork Producers' Marketing Board, offering us the suggestion of hardship that our pork producers are presently under during this industrial dispute. As I'm

sure the House would wish me to, I should commend the pork producers' board on doing a superb job in moving our hogs during the difficult time they have experienced.

MR. SCHUMACHER: A supplementary, Mr. Speaker. Could the hon. minister tell us what his response was to the request for assistance?

MR. ELZINGA: Yes, Mr. Speaker. I responded to them on June 25, indicating that I was deeply concerned that a precedent would be set whereby we would involve ourselves in favour of one party as it related to the industrial dispute when there are a number of parties that were hurt by it. I also indicated to him a deep concern I had whereby it could be interpreted as toploading under our red meat stabilization program. In addition to that, it could activate some type of countervail measures, so I indicated to him that I had deep reservations about offering any type of support in that area.

MR. SCHUMACHER: A supplementary, Mr. Speaker. If not in that area, has the minister granted any other assistance to the pork producers?

MR. ELZINGA: Mr. Speaker, I'm happy to indicate to the House that in previous years the government has been very active in supporting the pork industry, whereby there was a \$10 million payout to the pork producers' marketing insurance plan, a \$10 million payout under the loan guarantee, and a \$5.7 million debt retirement for Fletcher's. In addition to those very worthwhile payouts, we have a number of agricultural programs related to farm fuels and the feed market adjustment program, which all have a substantial impact for our pork producers.

MR. FOX: A supplementary to the Minister of Labour, Mr. Speaker. In view of the impact the long-awaited decisions of the board of inquiry has on this situation that hog producers find themselves in, can he indicate to us that no further extensions will be granted to this board so that we can at least have some recommendations?

DR. REID: Mr. Speaker, I can't give an absolute guarantee, because it would depend upon the reasons the chairman gave for requesting another extension, if he indeed did. It is to some extent hypothetical. My understanding is the chairman is anticipating delivering a report some time in the next week.

Alberta Stock Savings Plan

MR. McEACHERN: Mr. Speaker, my question is to the Treasurer. Why did his officials issue a provisional certificate of eligibility from the Alberta stock savings plan to Enviro Waste Corporation for a hazardous waste disposal facility, given the government's policy is that the Swan Hills plant is to have a monopoly on waste disposal in this province?

MR. JOHNSTON: Mr. Speaker, there seem to be two different questions there, which to some extent begs debate. I will attempt, however, to deal with the responsibilities I have. That is, in providing the certificate of eligibility, we followed up on the commitment given by the previous Provincial Treasurer to recognize all companies filing under the Alberta stock savings plan subject to the introduced legislation. As I've indicated before, as long as the company

satisfied the test as spelled out in that legislation, a certificate would be issued.

MR. McEACHERN: A supplementary, Mr. Speaker. This company would rather locate in Calgary than Kamloops, yet by the policy of the Environment department they may end up having to locate outside Alberta. If the Enviro Waste project is meant to operate in Kamloops then and hence will have its greatest employment impact in B.C., why has it been issued a certificate of provisional eligibility with Alberta tax dollars?

MR. JOHNSTON: Once again, Mr. Speaker, we seem to be going through this issue of why the government has introduced the Alberta stock savings plans and what kind of test of Alberta presence will be used in the previous and current legislation. Of course, I've already stated in many cases that we intend to strengthen the financial sector of this province, and we're doing it in a variety of ways. Following up on the response to enhancing the Alberta capital markets paper, we have brought forward a series of initiatives to satisfy that particular point. Many of my colleagues, including the minister of economic development, outlined that last night.

We are of the belief that if we do strengthen the Alberta capital markets by using such things as the Alberta stock savings plan, jobs will be generated here. We'll develop a financial market using the tax levers which are available to us and strengthen the Alberta stock savings plan and the Alberta Stock Exchange itself. The decision as to where the money will be made — obviously will come back to Alberta in the longer term. There's no question that in the near term the hon. member can pick and choose examples which show that some of the money will be spent outside Alberta. We admit to that and we agree to that. But we cannot balkanize this country. We cannot build boundaries around this province to prevent the free flow of capital. We're a private-sector government. We believe the private sector should make those decisions, and it should not be dictated to by some arbitrary government agency.

MR. McEACHERN: A supplementary, Mr. Speaker. In view of the fact that this company would rather have located in Calgary, did the Treasurer's officials in any way communicate with the Department of the Environment or the Special Waste Management Corporation before issuing that certificate?

MR. JOHNSTON: Mr. Speaker, I try to deal with detail in my job as much as possible, but when it comes to recounting communications between various officials and various departments, I have to admit I can't give full details of those discussions.

MR. McEACHERN: A final supplementary, Mr. Speaker. It seems like the left hand doesn't know what the right hand is doing, or the right hand doesn't know what the left hand is doing here. Anyway, can the minister assure the Assembly that it is in fact the policy of this government that hazardous wastes will only be disposed of at the Swan Hills facility, notwithstanding the certificate of Enviro Waste?

MR. JOHNSTON: Mr. Speaker, I'm sure that when the minister of technology and research goes on to explain the importance of technology and the technology transfer and the fact that we're encouraging a technology sector to develop

in this province, looking for new ideas, and trying to encourage intellectual power of this province to create new ways in which we can deal with some of the problems facing us, we'll go on to talk about other avenues of opportunity for us. We would not foreclose and not take a one-sided view, as the member is suggesting, to prevent new ideas from being formulated and supported in this province.

MR. KOWALSKI: Mr. Speaker, perhaps I could supplement the response given by my hon. colleague. I think what's really important to understand is that the firm in question will manufacture a plant in the province of Alberta using initiatives brought forward by the government of Alberta. The jobs will be created in this province. The plant will be physically moved to another province for the operation. The key aspect of this is that Alberta is now using its brainpower and taxation policies to create manufacturing jobs in this province.

The second point, Mr. Speaker, which is really important is that there's absolutely nothing put forward by any memorandum of understanding or any aspect dealing with the Alberta Special Waste Management Corporation which precludes the establishment of a recycling plant in this province. In fact, the memorandum of understanding and agreement is very, very clear. The hon. member should understand and appreciate that right now in 1986 in this province very important public hearings are being conducted by the Environment Council of Alberta to in fact reach the point that my hon. colleague the Provincial Treasurer has brought forward with respect to new ideas in this province.

MR. MITCHELL: Mr. Speaker, to the Provincial Treasurer, who's making a great deal about the importance of not inhibiting the free flow of capital amongst and between provinces. Could he please indicate to the House how it is that we are limited to a 25 per cent restriction on Alberta wages and salaries under the Alberta stock savings plan; however, under the small business equity corporation investments have to go to Alberta firms that pay 75 per cent of their wages to Albertans and that under the SBEC program there is in fact still a 30 per cent tax credit?

MR. DEPUTY SPEAKER: Order please. The Chair is having some difficulty with the question. My understanding is that Bill 11, the Alberta Stock Savings Plan Act, is on Votes and Proceedings and has yet to be introduced. The Chair has some difficulty with members asking questions about proposed legislation when it hasn't even had first reading. However, bearing in mind the newness of my position this morning and the hon. Provincial Treasurer. I would assume I would ask the Provincial Treasurer to make his decision on whether he wishes to respond.

MR. JOHNSTON: Mr. Speaker. I was just waiting for the Member for Edmonton Meadowlark to get up. He looks pretty anxious to appeal to some particular piece of legislation this morning which has not yet been introduced in this House. I can only say that we have listened to a variety of people. As a matter of fact, I'll be meeting today with more people to seek advice on how to deal with the Alberta presence. When that legislation comes forward, I'm sure there will be an opportunity to debate his view, the anti-private-sector view, and the government's view.

MR. MITCHELL: A point of order. There is an urgency to this, Mr. Speaker, because the Alberta stock savings

plan has in fact been advertised with its 25 per cent restriction in a *Globe and Mail* insert this week.

AGT Competition with Private Sector

MR. MITCHELL: Mr. Speaker, to the Minister of Technology, Research and Telecommunications. Government intrusion into the economy can constitute unfair competition with the private sector and can limit private-sector development opportunities. Could the minister please explain to the members of this Legislature why Altel Data, a government agency, is competing with the private sector in the business and personal computer market?

MR. YOUNG: Mr. Speaker, the role of Alberta Government Telephones, which is the owner of Altel Data, besides providing a quality communications network at the lowest possible cost, is also to provide thrusts in terms of developments. As the hon. member has suggested, I would readily acknowledge that there is competition. But I think a far more important side of Altel Data is in fact the thrust into new areas that it is undertaking and the provision of services which weren't otherwise available.

The hon. member indirectly raises a question in his question, which I'm sure the Assembly will at some point want to provide me with some additional advice on, and I would look forward to that.

MR. MITCHELL: A supplemental. I'm certain the many, many private-sector computer retail outlets will be interested in knowing that the important side of Altel Data is not that it sells computers against them. Could the minister please tell this Legislature why AGT is competing with the private sector in the sale of intercom systems to schools?

MR. YOUNG: Mr. Speaker, the intercoms are part of the total communications network, and that is a function of Alberta Government Telephones. The hon. member has raised a question. [interjections] Would you like to hear my answer? The hon. member has raised a question about the extent of competition on what is known as the subscriber components end of the telecommunications system, and that is a fair question to raise.

It is a practice in every jurisdiction of every telephone company with which I'm familiar that there is competition by the telephone company with the private sector. This has been a rapidly developing area in terms of private-sector competition, and I think that's healthy. It does at some point, however, raise a question of what the role of the telephone company is in terms of it being a publicly owned utility. But that's a different question, and I see no problem at the present time with the fact that there is some competition. I don't know how we could expect the development of technology at the rapid pace with which it has proceeded to this point without observing some of the competition to which the hon. member alludes.

MR. MITCHELL: A supplementary, Mr. Speaker. In fact, the intercom system in schools is a separate specification in a tender. To the minister of economic development: is he aware that the word processing equipment for offices in this Legislature is being purchased through a company in Boulder, Colorado?

MR. YOUNG: Mr. Speaker. I would point out to the hon. member that some of the developments in telecommunications

technology today are such that the system provided to a business or a subscriber for internal use is part of a service now directly tied into the switching mechanisms in a location quite far removed from that business. It is one facet of the services that are being provided, and I draw that to the hon. member's attention, because I think his understanding is somewhat incomplete in that respect.

MR. MITCHELL: Mr. Speaker, a final supplementary to the Minister of Technology, Research and Telecommunications. Could he confirm that it's this government's mandate to provide services that are already being provided by the private sector and to in fact compete directly with the private sector with the risk of hampering private-sector development, at least in the important area of high tech?

MR. YOUNG: Mr. Speaker, in a very few minutes I think we're about to engage upon a review of the estimates, which will provide what I hope will be a very helpful debate from my point of view and the point of view of all members of the Legislature, on the role of government with respect to the promotion of high technology and the very important jobs and entrepreneurial developments that go with it. I underline the importance of jobs which have come out of high technology, and the quality of those jobs. I think those are objectives to which every member of this Assembly should be and hopefully are dedicated.

PCP Plant

MR. DOWNEY: Mr. Speaker, my question is directed to the hon. Minister of the Environment with regard to the proposal by Bradbury chemicals to construct a PCP plant in Alberta. Can the minister tell us where this plant would be located?

MR. KOWALSKI: Mr. Speaker. I think that question is rather hypothetical. At this point in time no application has been made to Alberta Environment with respect to a request for a licence to operate such a plant in this province.

MR. DOWNEY: A supplementary then to the minister for economic development, Mr. Speaker. In view of the potential business activity and employment benefits, has his department been approached by Bradbury chemicals?

MR. SHABEN: Yes. Mr. Speaker, discussions have taken place between representatives of Bradbury Chemicals Ltd. and officials from the Department of Economic Development and Trade.

ORDERS OF THE DAY

head: **COMMITTEE OF SUPPLY**

[Mr. Musgreave in the Chair]

Department of Technology, Research and Telecommunications

MR. DEPUTY CHAIRMAN: The Committee of Supply will now come to order. First of all. I would like to call on the Minister of Technology, Research and Telecommunications to see if he has some opening remarks.

MR. YOUNG: Thank you very much, Mr. Chairman. I want to say to members that I welcome the opportunity to present a few introductory remarks this morning regarding the new Department of Technology, Research and Telecommunications. I think it's important to present a brief overview of the role of the department and its objectives as they relate to the government's policy of broadening our economic base and, as we were just talking about a moment ago, providing for quality employment opportunities and more employment opportunities for our citizens and especially for our young people through the development of advanced technologies.

Mr. Chairman, that of course is the thrust of the announcement made by Premier Getty on February 6 when he indicated there would be a Department of Technology, Research and Telecommunications. He also indicated that Alberta had made a very significant start in this area and that as our objective we have to continue and aggressively expand those efforts. This morning I want to indicate some of the start that's been made, and we will then of course be discussing the nature of the efforts for the coming year.

Perhaps to put the department in context, I could indicate that when one reviews the budget estimates today for 1986-87, one will find a component of the department that deals with and is addressed specifically to policy development, the provision of information, researching opportunities for development of technology, methods, and the actual delivery of support to entrepreneurs who have the good ideas that we want to develop.

Another function of the department is of course to engage in promotion and especially to engage in what I will refer to as networking, which is to bring together the appropriate persons who have expertise in research and also the ingenuity and drive and concepts which can bring that research effort to fruition in technological application. Mr. Chairman, that is now a component of roughly 40 persons. The budget man-years are there for all to see. It is not envisaged that the department should at any time become large in terms of a bureaucracy. However, that's not to indicate that the ministry itself doesn't have some fairly extensive responsibilities, because the function of the department is really to cause things to happen, to create percolation, if you will, in that application of technology.

The ministry includes responsibility for Alberta Government Telephones, and just a few moments ago we had some discussion about that and may have some more today. It includes a responsibility for the Alberta Research Council and for ACCESS Network. One of the functions we are also undertaking as a part of the earlier function I mentioned is some co-ordination effort and knowledge about the kinds of research which are ongoing in the province and particularly that which is ongoing in the public sector.

Mr. Chairman, I want to say to members that I have encountered some fear of the advent or impact of high technology as expressed to me. I would like hon. members to think about two facets of technology. First of all, I don't think the province of Alberta, or Canada for that matter, can stand still. Standing still means the rest of the world passes us by, because we are in a very rapidly moving scene. So we must be engaged, we must be aggressive, and we must bring to bear all the good ideas that each of us have to make progress in the area of technology. That's one reason. But a second reason is most important. We know the greatest possibilities for increased employment come from small companies, from entrepreneurs who are new, who have the ideas, and who are able to bring those

ideas and put them into practice and bring them to fruition. We also know that many of those opportunities are in the high-tech area. And we also know that the quality of employment opportunity is in the area of technology.

I probably won't touch upon it again this morning, so I'd like to bring to hon. members' attention my deep appreciation to the private sector for the initiative and imagination which I have seen since I have become minister. Mr. Chairman, as hon. members would appreciate, I haven't had the opportunity to have the number of meetings that I hope to have over the course of the next several years. But the fact is that I have had the opportunity to meet with the Edmonton committee for advanced technology, its counterpart the Calgary committee for advanced technology, plus a number of the boards and agencies which are involved in this area. I am very impressed with the quality of the private-sector entrepreneurs who are involved, with the quality of the research people who are involved, and with the attempts they have made to focus their efforts, to network, and to bring those initiatives to fruition. I would particularly compliment them on the co-operation which I have seen, the willingness to be entrepreneurs and take the risk that is necessary in that manner.

Mr. Chairman, I think a fair question would be: where is high tech now? In that respect, I would indicate that one has to ballpark, but as a ballpark suggestion, we believe that about \$900 million of production could be attributed to high technology in the province at the present time. We also believe that approximately 9,000 people are involved in that area at the present time in Alberta.

I referred earlier to the fact that we have a good base from which to build, and I just want to emphasize that. To pick up on an earlier comment, I would draw to the attention of hon. members that while it's again difficult to know the significance of research and what that translates into in terms of jobs, there was a review done by a company outside of government. It looked at the number of research scientists active in the Silicon Valley in California who were dedicating their research time to microchip development. It concluded that for every research scientist working in that area, there were approximately 3,000 jobs being created. It is a tremendously successful way of enhancing job opportunities.

Perhaps as one illustration, I could mention the LSI Logic Corp., which has developed a method of making a customized chip. That means that a company or a person wanting a certain kind of electronic data processing can go to that company and the company has the skill to develop the software, if you will, and imprint that upon a microchip. That company was founded about five years ago by four persons working in California. One of those people came from Newfoundland and one from British Columbia. Today the company has employees in the order of 1,500, and we're proud that its Canadian headquarters is now located in Calgary in connection with the microelectronics centre there. In speaking with the Canadian president some weeks ago, he indicated to me that they now have operations in Europe and also in Asia. That indicates the very rapid expansion and the type of niche that is available there. We don't expect to create a whole lot of success stories of the magnitude of LSI Logic. Nevertheless, there are many smaller initiatives which are available and to which we should be targeting.

I would like to address some comments on the nature of the environment or climate in which research and applied technology is undertaken and to comment just briefly on

the question of applied research, particularly because the hon. Member for Edmonton Mill Woods recently raised it with the suggestion that there isn't all that much co-operation, as I understood his observation, between the universities and the private sector. I take some issue with that. In fact, one of the essential building blocks and essential elements of any climate conducive to the advancement of technology is the quality of our universities and educational institutions. We in Alberta have a very high-quality university community backed up by our technical institutes and colleges. In that university community it is estimated that there are at least 100 researchers or professors who have world-class standing in their fields. That was also referred to me by a number of senior officers of companies who, when I questioned them on why they came to Alberta or what they looked for, said that it is absolutely essential that the educational institutions be of very high quality, producing graduates who can go to their facilities and also spinning off ideas through the basic research which they are undertaking.

Mr. Chairman, in addition to the co-operation which exists with the universities in what I think is a fairly open manner, we've tried to create that relationship over the past number of years through a number of centres which hon. members will see referenced under vote 2. I could mention some of them very briefly. For instance, there is the Alberta Laser Institute, the Alberta Microelectronic Centre, the Alberta Telecommunications Research Centre, the Centre for Frontier Engineering Research, and the supercomputer centre at the University of Calgary. We're still working with the universities and the private sector to develop a number of additional centres of excellence, and we believe those are important for the future economic development of the province. What they in fact do, besides making a high level of skill and in many instances facilities available also, is bring together for management purposes a board of directors or committee which is a combination of the private sector and university staff. That does make for a networking and two-way flow of communication, which I believe to be vital in the building blocks of which we're speaking.

With respect to the development of technology and the background we've been addressing, I want to mention to hon. members that a great deal of the thrust which we have going for us today emerged based upon the very fundamental sectors of energy and agriculture in our province. Prior to the downturn, in particular, there was a great deal of opportunity for development. Our researchers and entrepreneurs picked up on that, and we've seen a great deal of technological development spinning off from those basic strengths. That's been so successful that a good number of companies from Alberta have been able to export their brainpower and technical information to other countries, even during this downturn, to develop industries elsewhere.

I've mentioned the basic industries as a springboard for high tech. I want to mention the newer areas that are being developed. One of those very important areas is, of course, our information and communications systems. Earlier today there was some debate by way of questions about telecommunications and communications generally, and we may get back to that. But we shouldn't overlook the major thrust that is occurring in medical products, pharmaceuticals, biotechnology, and bioengineering.

In that respect I call the attention of hon. members to the fermentor which is being established at the Alberta Research Council. That is an upscale from a bench model which we believe will actually enable companies to come

in and be able to engage in some commercial production of their products by sharing and paying for the use of the fermentor. It is the only one of its kind in Canada and one of three in North America, I believe.

I haven't really talked about electronics as a new area and I should do so. The advanced materials area is coming into greater and greater importance, partly as a consequence of developments in the chemical industry and in other building materials.

Mr. Chairman, that gives some idea of the nature of developments which are already occurring. I again refer hon. members to vote 2 for more detail on that.

With respect to private entrepreneurs and companies, I think there are a number of other things we could do besides those building blocks that I have already mentioned. One of the areas that would be useful and helpful is management assistance. I think this has to be provided in a nonthreatening environment. Too often, I suspect, management assistance comes to the attention of entrepreneurs by way of their request for funding. In that instance, probably the opportunity for funding is seen as being very coercive, in that the funding brings with it a loan on certain conditions and is perhaps even perceived as a threat to take over the company.

There are two successful programs. The entrepreneurial and ventures program under way at the University of Calgary does provide management and a broader range of assistance. If hon. members haven't had a chance to read about that program or visit that facility and talk to some of the people who are involved there, I highly recommend it. This particular initiative on the part of the university, supported by a number of departments of government, has resulted in the involvement of graduate students at the master's level, with other disciplines participating, with down-to-earth, real live entrepreneurs who have challenges and projects. The entrepreneurs are screened, enter into that program, and receive assistance from those very mature students. It has a cross-feeding effect which I think is both nonthreatening and very, very helpful to the people I've talked to who have been assisted by that particular program. A somewhat similar but not nearly as extensively developed program is under way at the University of Alberta.

Mr. Chairman, another source of assistance to the private sector is the financial assistance which can be available through government. Without getting into certain elements of it, hon. members will see in the budget estimates some provision for grants. We also, by way of injection of patient capital, provide for the purchase of preferred shares. There are sources of assistance available in that manner.

Mr. Chairman, in discussions with several budding entrepreneurs, one of them remarked to me that maybe what they needed was a kind of franchise operation where they had to operate within certain limits with certain kinds of assistance. I'm not sure that I would go with that concept totally; nevertheless, there may be another way of providing a similar type of assistance through incubation centres, as they're now referred to. We have those being looked at in several locations in the province and, I think, with good potential.

Mr. Chairman, I'd like to conclude but in doing so would again emphasize to hon. members that if we're going to see long-term benefits from technology, if we're going to see the improvement and stability in the Alberta economy that we want to achieve, we must put some increasing emphasis on technology and research. We must provide our small businessmen and manufacturers with encouragement to apply this technology and upgrade our natural resources.

We must provide an environment — and part of it we can do through government — for the academic and private sectors to co-operate in a manner which will see new technologies grow strong enough to compete in the global marketplace. That should be our objective: ability to compete in the global marketplace.

We must try to diversify, putting the greatest amount of emphasis upon home-grown indigenous entrepreneurs. I think it is recognized that we will have to try to import, on a riffle basis, entrepreneurs from outside for a variety of reasons in certain areas, as part of our building block. But our real thrust and our real dependence and focus should be on the home-grown indigenous entrepreneurs.

Mr. Chairman, I'd like to ask all members of the Legislature to share with me the responsibility of promoting our opportunities in this province. I look forward to the contribution that each will make today. I would encourage you to become as knowledgeable as possible with the building blocks which already exist. I for one believe that Albertans generally do not know sufficiently about the kinds of building blocks that exist and the kinds of initiatives already in place, and that's important. Even within the business community, I think it isn't sufficiently well known. I would encourage all of us to promote an attitude which promotes entrepreneurs and risk-taking.

Mr. Chairman, in sitting down, I want to ask all members to give me their best advice and suggestions. I'm sure all of us have a desire to produce technology and developments which generate quality products which make our lives and the lives of others better and also increase the opportunity for employment desired by the young people that we're graduating. To do that, I believe we must be aggressive. We as government are going to have to take some risks. Some of those risks may not be as fruitful as others; nonetheless, I think it is a challenge that's before us.

I look forward to the comments and suggestions of hon. members.

MR. MITCHELL: Mr. Chairman, I would like to thank the minister for his very informative comments and begin by saying that I applaud this initiative and any other initiative by this government to emphasize economic diversification. I should reconfirm what I said last night, that we probably haven't put as much emphasis on economic diversification as we could or should.

If you add up in the estimates those departments which are focussed on economic diversification, such as the department that we are reviewing now or Economic Development, there has in fact been a negligible increase this year over last year in the budgets of those departments. I therefore question the true commitment of this government to diversification and whether to some extent it's in fact merely paying lip service and doing public relations on its commitment.

I'd like to raise the issue of management; I raised it last night. It has some implications for this department, as it did for the department we were reviewing last night. I believe that it is weak management to create a focus on objectives by creating new departments and new structures. While the high-tech area is an important one, I think there are many, many important areas of economic development that have been neglected in this province. I'm not at all certain that we accomplish very much beyond public relations by creating a department of some 54-odd people, a department that could particularly easily be integrated into the economic development department, which is itself a very

small department of some 250-odd people. This is not going to be something of interest to the Minister of Technology, Research and Telecommunications, but I would state to the government my fear that creating departments and structures does not necessarily bring an effective focus but may simply end up diversifying not the private but the public sector.

I'm concerned with the apparent distraction that this focus on high tech could create. I think it's extremely important. It's one of many areas that has to be considered. I don't see other departments; I don't see a department of meat processing, financial institutions, or the aircraft industry. My concern is that often the obvious can be obviously wrong. If Britain started with a department of technology 20 years ago, it may be that we're 20 years too late in this issue and we won't find competitive advantages and niches in this area and should be emphasizing other areas at least as much as this particular one.

Management involves cost. I'd like to raise a couple of issues with respect to cost. Of course, I am questioning the entire cost of the department as a separate department. I am also questioning why this minister's office at \$403,000 is the third most expensive minister's office in the government. I believe the average cost of a departmental minister's office is in the order of \$200,000; in fact, you can check it. This represents double that. I wonder if we could have an explanation of why that would be the case.

ANHON. MEMBER: Start-up charges.

MR. MITCHELL: Yes, start-up charges. Thank you.

I would like to draw the minister's attention to the expenditure commitment of \$1.5 million for fixed assets. It seems to me that this is an area of leadership. We're getting secondhand furniture in our Legislature offices. I wonder if it wouldn't be possible for certain kinds of creative efforts to be made to find that kind of furniture and to use space that doesn't necessarily have to be perfect. Here's an opportunity to create leadership on the cost-cutting side and, in spending money, not do something that is simply obvious.

Management involves measurement. You can't manage if you can't measure. Would it be possible for the minister to provide to the House certain objectives in terms of job creation, private-sector investment, and economic spin-offs as a result of those various investments for the various programs that are being contemplated by this department? In that context it is also extremely important to have criteria. I know the department is new. I know it's just getting going, but criteria are essential. How is it, for example, that we have singled out Western Aerospace Technology Ltd. for an aircraft technology commitment of \$500,000? It could be a good idea; it probably is. What criteria made us choose that particular enterprise over some other enterprise? I would like to see a set of objective criteria that directs this department's activities in selecting those areas which they will emphasize and those areas which, to the contrary, they won't.

I'm very concerned with the principle of using every possible resource that we have, doing whatever we have to do and whatever we can do within the bounds of moral and responsible decision-making to get our economy going and to generate private-sector economic enterprise. I raise the issue with respect to the process of tendering that would see us send a contract for road building supplies to the States, and I see a similar evolution in this department. I raised some of it in question period.

Altel Data: it seems to me that it should be a priority of this department to work with other departments to co-ordinate their activities, particularly in an area such as the sale of computers, where I believe the government can have a tremendously unfair advantage over private-sector, high-tech industries. Altel Data sells personal computers and software. There is a great deal of activity in the private market in that area. Altel Data will not release its Figures when called upon, so it is very difficult to see if the private sector can even compete fairly or whether there are cross-subsidizations. For example, it is possible that Altel Data gets a great deal of government business. This is a question I haven't had an answer to yet, but maybe the minister could answer it. If it does get a great deal of government business, that kind of contract can create an unfair competitive advantage for Altel Data, which can then go out and compete with the private sector, which doesn't have these advantages on a price basis, for private-sector contracts.

Intercom equipment: it's very interesting to note that AGT has in fact sold intercom equipment and that it can be sold separately to telephone networks. This competes with the high-tech, private-sector industry. It's also interesting to note that AGT advertises a particular piece of equipment by saying that it is the only distributor of that equipment in this province. In fact, it changes the decal on that piece of equipment and other private-sector suppliers supply it. They have lost contracts because they can't compete with AGT. It seems to me that that kind of activity erodes this department's effectiveness in promoting a high-tech industry. Perhaps the minister could commit some budget priority to dealing with Altel Data and AGT to see that they don't compete with objectives that this ministry has a mandate to achieve.

Marketing focus: I've noticed a marketing focus in the department of economic development, and I've noticed a marketing focus in this department. I would like to congratulate both ministers on that focus. I think there is a consensus evolving in the private sector in the area of international marketing, sales, and trade that marketing is extremely important and that in the area of high tech, particularly, the brilliant minds who can develop the ideas are frequently not focussed on the importance of marketing. My concern is that there is not a tremendous financial commitment to that kind of marketing in this department. I wonder whether the minister might reconsider that in light of the overwhelming commitment to multimedia services and to education. Educating people about high tech may be an important pursuit. I would ask exactly what that program is designed to achieve, and has the effectiveness of that program been evaluated?

Engineering research: great, good commitment to engineering research. I would hope that the minister could take an interest in ensuring that other activities of other departments don't erode the effectiveness of his focus on engineering research. I would like to draw to the House's attention the experience in Quebec with Lavalin Inc. Lavalin Inc. was nurtured by that government and has become an internationally renowned engineering firm. There is a history in this province of government contracts going to firms that are not indigenous to Alberta, even though those Alberta firms can compete. I understand that it's also the case that a lot of engineering is done by departments such as the transportation department. Those departments can develop expertise in certain areas that can never be exported by those departments because, of course, they're not in the business of exporting engineering technology or know-how.

Could the minister please ensure that he has budget and organizational commitments to working with other departments to see that wherever possible important engineering expertise can be developed in the private sector and therefore can have the chance of being exported and creating a stronger private-sector engineering industry here without the erosion of competition by the government sector?

Increase in research dollars: research is very important and again to be applauded. My concern is that the research would be done by the government. I don't see that that's necessary. Would it be possible to put it somewhere such as in universities or the private sector?

Mr. Chairman, those are my comments. Thank you very much.

MR. DEPUTY CHAIRMAN: Would the minister like to respond individually, or would he prefer to wait until all the members have spoken?

MR. YOUNG: Mr. Chairman, I would prefer if we could proceed with a few more comments. When I think that my memory is being taxed and have some better impression of the direction of interest of more members of the Assembly, then I would like to be able to respond.

MR. GIBEAULT: Mr. Chairman, in adding to the debate on the estimates for the Technology, Research and Telecommunications Department, there are a few things I would like to mention. For starters I refer, for example, to page [351] in the large estimates book, for those who are following the debate. Perhaps when he replies to the members of the Assembly, the minister can indicate in his comments why we're looking at grants from his department of almost \$19 million and, in contrast, investments of only \$400,000. I wonder if that doesn't represent the philosophical approach of the government that we hand out money to corporations and hope they will do some research here rather than looking at investing public resources in ventures that are based locally and that will stay in this province and continue to be a part of the growing economy of this province.

Four hundred thousand dollars is a pretty miserly amount; in fact, it's even down 40 per cent from the \$650,000 in the previous fiscal year. So I ask the minister if he could respond and indicate what is behind the rationale that gives out \$19 million, but when we're looking at an investment, something for the taxpayers and the people of this province, we have less than half a million dollars.

I'd like to go on to page [357] and take a look at the natural sciences and engineering research area. It gives me some cause for concern, because we're looking at the Alberta Research Council, which has been doing substantial amounts of research in the province for some time. We're looking at a decrease there in the neighbourhood of 5 per cent for their research activities. We're looking as well at the Electronics Test Centre — a much more substantial decrease in funding. I wonder if this again reflects the philosophical orientation of the government to channel all of the public resources of the province, in terms of research grants that may be available, into private-sector arrangements — that is, to corporate entities — at the expense of agencies like the Research Council, the universities, and the public-sector institutions that we have for that purpose.

I would suggest that the third element there concerns me the most, Mr. Chairman; that is, the office of science and technology. Last year it had a rather marginal budget of \$176,000, and this year it's being proposed to wipe it

out altogether. This represented in the previous fiscal year even less than 1 percent of the amount of funds budgeted for high-technology support projects. It seems to me that surely we should be able to afford at least 1 percent, if not significantly more, to some office and perhaps it's this one, the office of science and technology, that is able to evaluate the impact of technological innovations on the people of the province, particularly in the workplace.

There has been a lot of discussion about the whole changing work environment as a result of innovations in technological areas. The innovations of various computer processing systems and even more recently the whole robotics technology area are going to have very substantial impacts on the whole job situation in the province. There is some debate about how much of our unemployment is now related to technological innovations. If that is the case, are we in effect financing future unemployment with high-technology research?

We're not saying, Mr. Chairman, that the people on this side of the House are against technology or scientific innovation in any way. Even in my own circumstances prior to the election, working at the regional media centre, we had a computer system that enabled us to do a very efficient job in terms of providing educational media service to the students of this province. Just prior to leaving, we were into an introduction of a second system, after seven years, to upgrade and to make the service that we were able to offer even better.

The point I'm trying to raise here is that not all employers take a look at introducing new technological innovations for the benefit of the workers and staff of their organizations. For the most part they're driven by an obsession with the bottom line and trying to squeeze as much profit out of the technological introduction as possible. My question really is: what does this office of science and technology being obliterated here say to the people of this province in terms of the concern this government has for the impact of technological innovations? If those concerns are not going to be dealt with by an office of science and technology, can the minister indicate to us where in the department or elsewhere those kinds of concerns are going to be addressed? Where are we going to be looking at how technological innovations can be introduced in both the private and public sectors to the mutual advantage of the workers and the people who are being served by those technologies and not for the exclusive benefit of the people who own those machines and those technological innovations?

Mr. Chairman, we talked earlier about the role of the universities in technological research. The minister talked about how he felt the universities were well included in that. In fact, in the white paper the government introduced recently, they indicated that research has always been a high priority for the provincial government, and in terms of the universities specifically they indicated that the role of our postsecondary institutions is crucial — not just nice to have or important, but crucial to any sophisticated industrial strategy. When I look at the estimates for this department and for the Department of Advanced Education, which we did recently, I don't really see that the funding matches the rhetoric there. When the minister gives his comments in reply — we've got a whole list of projects for high technology financing in terms of the elements here — I'd like to have an idea of just what role the postsecondary institutions of the province have in those various areas, because it's certainly not clear from the elements what role there is, if any.

Another element that is giving us some cause for concern, Mr. Chairman, is the various projects that are being proposed for high-technology financing here in the estimates and the various other areas of research in the province, both with the Alberta Research Council — and I already alluded to the fact that their allocation in the estimates has been reduced — and research that has been done by other agencies in the province. We have a sense that there's a lack of co-ordination here, that agencies are going in different directions and that the government funds various projects that seem to have the interest of the moment — perhaps the latest fad, if you like. There's a question in our minds as to whether or not the public is getting the best return it can for the research dollars the public is investing.

We wonder if the minister can give us an idea of the kind of co-ordinating role his office is serving and whether or not he's giving any consideration to the establishment of what we might call an Alberta research and development authority, some kind of agency that can co-ordinate the research that is being done by the Alberta Research Council, various other agencies like the Alberta Oil Sands Technology and Research Authority, and the universities, as well as the projects that are being proposed by the various private-sector agencies with public resources involved, so that the taxpayers of the province can have some assurance that they're getting good value for the kinds of resources — they're now substantial, in terms of research and innovation — and that we're not having unnecessary duplication or a lack of co-ordination and vision in terms of the research efforts that are going on.

To come back just for a moment in terms of this investment versus grants proposition, we are somewhat concerned about that because there are a number of instances where I think it is clear that corporations not based in this province have been induced — we could perhaps even say bribed — to come to the province of Alberta to do research simply because of money that's being handed out by the province.

I have to refer, for example, to the case of Bell-Northern Research. Having received some \$4 million in funding, they have recently closed their optical fibre research facility in Mill Woods, and that's a loss to the province. With these kinds of substantial allocations to corporate interests, I guess I'm asking what assurances we are going to have that we'll have something to show for these millions of dollars of research that we're giving to these people.

The minister referred to LSI Logic; we're looking at somewhere in the neighbourhood of \$20 million. The press coverage of that particular arrangement was clear, and the people from LSI made no bones about it and made it quite clear that in fact 90 percent of the reason they decided to locate here was the government grants available for that purpose. I'm wondering if this now obligates the taxpayers of Alberta to continue this kind of payment to these agencies, these corporate entities that are coming to Alberta simply to take advantage of corporate funds or grants from the province. Are we going to be looking at a situation with LSI a couple of years down the road where they will say, "Unless this \$20 million continues to be forthcoming, we'll move down to the Silicon Valley in Ottawa or California"?

Mr. Chairman, to turn briefly now to the question of multimedia education services, which is a nice way of referring to the ACCESS Network, we have some concerns about that and we raised them in question period recently. To start with, in looking at the ACCESS Network coming under the responsibility of the Minister of Technology,

Research and Telecommunications, I guess I'd have to say that we and the educators of this province are wondering if this in fact is not an indication that the mandate of the ACCESS Network is not primarily oriented to the educators of this province.

In previous years the ACCESS Network was under the ministries of Education and Advanced Education. They had a significant hand in the direction of the ACCESS Network. There used to be people on the board of the ACCESS Network from the ATA and the ASTA; that is no longer the case. Looking at the budget estimate, Mr. Chairman, we're looking at a rather marginal increase in the neighborhood of 1 percent for ACCESS Network. We wonder what that is suggesting to the educators of this province. In particular, if you look at the elements more closely, we're looking at media utilization being decreased by 6.3 percent. I suspect that that reflects a number of things. It reflects the fact that the ACCESS Network has discontinued any commitment to the service of the educators in the regions of this province. They closed the last of their three regional offices recently.

There are other concerns that we have. I'm wondering if the decrease there reflects as well the recent memo circulated to the educational users of this province which said that from now on only those educational users from k-12 are going to be able to get video programs dubbed by the media resource centre in Calgary at no cost, as has been the practice in the past, and that all those who are not in that group — that is, the advanced education community, community service educators, health unit educators, and all of those people — are now going to have to pay user fees for duplication services from the MRC. I'm kind of wondering if that's the first thin edge of the wedge. Are we going to be looking next year at a situation where the basic education sector is also going to have to pay additional user fees for utilization services from the ACCESS Network?

I recently had to visit the people at Athabasca University, and they indicated to me, Mr. Chairman, that they have a lot of concerns about the ACCESS Network. They indicated that ACCESS has approached them to supply additional funds for the acquisition of broadcast rights for programs they could use in their programming, but that in return the ACCESS Network was not willing to guarantee them specific air time on the satellite channel. Athabasca University then could not make efficient use of that resource investment they were willing to make if they could get guaranteed time on the channel, so they could plan accordingly for their distance education students.

I think there's room in terms of the advanced education community as well as the basic education community for a real hard look at the role that ACCESS is playing there. I would suggest that a lot of the educators in the province, and not only in the advanced education sector, have some very grave concerns about the direction that ACCESS is going, Mr. Chairman. I have letters from school districts in the province and from Calgary in particular. They have written some very scathing letters recently to the people at ACCESS indicating that although ACCESS recently indicated an interest in providing some co-ordination and leadership in acquiring duplication rights for the school districts and regional film centres of the province, this never amounted to anything.

This put the school districts in Calgary, in particular, and the other regional film centres in the province as well in a situation where they didn't know whether they should continue their own acquisitions individually or wait for some

kind of co-ordinated approach, hopefully with some leadership from ACCESS. That, in fact, has yet to come about. So there are some grave concerns there on where ACCESS is going; the educators of this province, as they've indicated to me, have some very serious concerns about that. I would say that a 1 percent increase in funding is not going to help that very much.

Another thing I'd like to mention in terms of ACCESS is that there's some concern about its very basic mandate, Mr. Chairman. Very recently, in February 1985, Mr. Senchuk, the president of ACCESS, was quoted as saying:

The fact that ACCESS NETWORK is a satellite delivery system does not mean that the traditional distribution of multi-media materials will be reduced or eliminated.

It seems to me that the recent closure of the regional offices is exactly the opposite of what he was just quoted as saying.

The president of the ACCESS Network was quoted earlier, in '84, as saying:

One means we employ is the active role of our media consultants. With our Regional Field Service Offices, our consultants work closely with educators in the region they serve. Their feedback to us, from the users of our end product, is an essential part of our decision-making process.

I hope the minister will be able to enlighten us on how those comments by the president of the ACCESS Network have any kind of bearing on the fact that regional offices are being closed and services to the rural areas of this province are being reduced. It seems to me, Mr. Chairman, a total contradiction.

As well, Mr. Chairman, in terms of the ACCESS Network. I guess we have to have some concern about the satellite channel. We think a satellite channel was an innovative step, but we know that when ACCESS was approaching the provincial cabinet about that, there was in the request for a decision an agreement that they would not jeopardize their basic services to education when they went on the satellite channel. I suspect that recent events have shown that not to be the case.

Another thing that concerns us — and maybe the minister can respond to this in his comments — is our understanding that the ACCESS Network has proposed and has received approval from the federal government for a charitable foundation to solicit private-sector support for the satellite channel, something along the lines of PBS. It seems to me, Mr. Chairman, that since a lot of the satellite programming is in fact not oriented to the basic education sector but is of a more general entertainment nature, outside support would be something that should be solicited.

It's my understanding, and I'd like the minister to see if he can clarify that for us, that the ACCESS Network has yet to get approval from the cabinet to authorize this foundation to continue and to get its efforts off the ground, that its hands are tied and that at the ACCESS Network they have two very highly paid people who are unable to properly solicit the funds they would like to have to support the satellite channel. I would like to see if the minister can inform the Assembly what the delay may be in terms of the provincial government giving its approval to this foundation for the ACCESS Network.

Mr. Chairman, with that I will conclude my comments.

MR. WRIGHT: Mr. Chairman, this is a very important area that the government should be moving in, and everyone recognizes that. It's not my intention to make niggling criticisms, particularly along the lines where it's reasonable

to do so. Obviously, a government body should not compete with others in the area of electronic equipment that goes with the telecommunications that AGT puts out. They should have the right to sell their equipment just like anybody else. But in that connection, will the minister consider a point of importance to consumers, which is that nowadays even though you want to hire equipment from the telephone company, you can't, except for the simplest stuff. They call it hiring; it's a rental/purchase deal. They call it that so you can expense it monthly, but it's really a purchase, because at the end of the lease period you pay for one month or two months, or a token sum, and it's yours.

If I can illustrate the way it hurts consumers, a firm I know of bought a state-of-the-art but not overly elaborate telephone system. This was from Edmonton city telephones, but we checked it out at AGT and it's the same thing there. I forget the name of the system, but it cost \$20,000 and it was to be paid for over three years, I think. After a little over a year the firm split up and neither of the surviving parts of it were big enough to accommodate that system. The trade-in allowed after a year and a half for the equipment — it was still state-of-the-art equipment — was about \$3,500. I understood from the inquiries I made that the company's justification — I repeat, we're talking about Edmonton city telephones — was that AGT in fact does the same thing. They would refurbish it — their words, but it obviously didn't need much refurbishing; it was as new — and sell it back as pre-owned equipment, I think they call it, for \$13,000 or so. We did inquire whether the firm had asked to rent the equipment or hire the equipment in the first place, and the answer was yes, but they couldn't. This is sort of in brackets, but would the minister of telecommunications, Mr. Chairman, be good enough to look into the status of those who do not wish to purchase equipment, who would rather hire equipment. There is a problem, of course, in that so much of the equipment gets out of date very quickly, which is a consideration, but for the simpler sorts, it is not so.

I too am troubled about the \$16 million in grants. I'm not saying there isn't a place for grants; of course there is. But could the minister explain to us, Mr. Chairman, what sorts of conditions are set on these grants, the standard sorts of conditions. I refer to conditions that will make sure that the bulk, at any rate, of the activity that the grants finance occurs in the province, that the firm will stay in the province, that the firm, if successful, will not two or three years down the road succumb, very reasonably from the entrepreneur's point of view, to the blandishments of a high price from a multinational company or a foreign company so that in the end the business will be lost to us. That's why our thrust is always to demand equity as the price of participation. I'm really putting in another way the first question that my hon. friend the Member for Edmonton Mill Woods had for you.

In the Speech from the Throne of April 3, Mr. Chairman, which of course was reiterated by the Speech from the Throne that we've just finished debating, the purpose of this new department was set out. On page 5 of that booklet containing the Speech from the Throne a list of the research that was to be supported appears, and the words are:

[The] government will continue to support research and high technology initiatives in laser development, advanced electronics, microchip design and fabrication, biotechnology, software development, communications and the use of [computers].

If the hon. minister doesn't have his book, I'll just hand it across. I wonder if the minister could outline for us what

is in this budget that will assist in those particular very commendable developments that were set out in the Speech from the Throne this spring, which of course was recapitulated in the one we've just dealt with.

In general, Mr. Chairman, every member of this Assembly heartily endorses the purpose of this department and commends the efforts that are being made to diversify our economy in the area of high technology. Our main problem is the terms on which public money is being put out to do this and that the public of Alberta will get a good return for their money.

MR. DEPUTY CHAIRMAN: Mr. Minister, did you . . .

MR. YOUNG: I thought I noted that there was one other member.

MR. DEPUTY CHAIRMAN: There are other members, but I thought perhaps you wanted to get in there.

MR. YOUNG: It's not quite the noon hour, so let's take one other member.

MR. YOUNIE: Mr. Chairman, a couple of points and one that has been referred to by two previous speakers. I have a separate concern about that, although related, and that is on page 359: specifically, the listing under grants. My concern is very specific, and I would like an answer to it to be as specific as possible; that is, what percentage of those grants will be going to companies that are Canadian-owned and based in Alberta, what percentage to Canadian-owned and not based in Alberta, and what percentage to foreign-owned? And where companies have a joint ownership, what are the percentages thereof?

I think the reason for that concern should be fairly obvious. If a grant goes to a Canadian company to do research and their research leads to economically viable and profitable industrial processes and so on, if that is an Alberta-based, Canadian-owned company, that expertise not only develops jobs and generates money in this province, but if the new research leads to something that is so profitable and so valuable that it leads to the establishment of a multinational company, that is a multinational company based in this province. In fact, what we would possibly see is a change from what has always been: a flow of multinational capital from other countries into Alberta in the form of profits made in another country rather than an outflow of profits from Alberta going to other countries. So I think these grants, if they're increased that much, could be used to reverse what we have always seen as an unfortunate trend of profits made here going out. We would like to see that reversed somewhat. I would look forward to seeing what those percentages are.

Another subject I would like to touch on, of much concern for the whole province, is the technology and research of garbage, to put it in its bluntest terms: in other words, research and development in the field of waste disposal — not toxic waste disposal, which is being looked at right now, but solid waste from residential producers or homes — and, specifically, alternatives to landfill. I would like to see more entries under research and technology looking at the research that's been done around the world.

Recently there were concerns mentioned in the news media, and I'm sure echoed in here, that one plant in Ontario that was using incineration rather than landfill was producing very dangerous pollution in the form of dioxins.

In fact, one newspaper editorialist said that that means it's not a responsible choice to even consider it. I would say that that remark was irresponsible. Because Kitchener, Ontario, did it badly doesn't mean Alberta has to do it badly. That's where technology and research would come in. Many other areas of Canada and many other areas of the world are conducting research and using operations that are safe, environmentally sound, clean and much better, from any respect you can look at, than just burying it in a big hole and hoping it doesn't poison the water supply under the hole.

I think we have to do a great amount of research there. A good starting point would perhaps be for the Alberta Research Council to bring experts from countries like Japan and West Germany and Britain to give us the benefit of their research and knowledge, to expand from there and do our own research beyond the very valuable project that's being conducted in Wainwright and do a much larger scale research project. The Edmonton area might be a good area to start with that research. We could consider setting up a research project for the Edmonton region, asking the Edmonton area municipalities to put money that they now put into landfills into that regional project, so that it could be developed at a reduced cost to the municipalities and still not at a great expense to the provincial government. In fact, we could show leadership in that kind of municipal/provincial co-operation in the area of technology and research.

There is even a town reasonably close to Edmonton, that being Ryley, that has shown a willingness to be host to such or any related research project, in hopes of creating jobs within their area. So the government would not be looking at mass public opposition to the project and would in fact find a willing host to it.

In terms of that, several times today members of this Assembly made the claim that Alberta is a leader. Several times, as it turned out, they claimed we were leading by following, so you can understand my confusion. I would recommend that in this area we be a leader by leading and that we initiate some new research, initiate such a project and see what we can do — if you would look at it this way — to turn our garbage into gold and find a way to use incineration/recycling as a more responsible and sound method. In very short order there would be countries and other provinces coming to Alberta to gain the benefit of our research and knowledge. We could export some of that. I do hope the minister will seriously consider that, perhaps under the Alberta Research Council or some other department, as a method of showing that kind of leadership.

MR. YOUNG: Mr. Chairman, perhaps I could endeavour to address some of the points which have been raised by the previous speakers and, first of all, thank them for the positive suggestions that were made. I must say that my list has got more negatives than positives, and it certainly also shows me that there is a deep philosophical split among some members on the opposite side of the House. Perhaps that's to be expected.

I'd like to acknowledge the hon. Member for Edmonton Glengarry's observations about research relative to waste disposal and simply observe that one of the mandates of the department is to have an overview on a co-operative basis with other departments of government. His representation will be noted when that overview is undertaken.

With respect to the hon. Member for Edmonton Meadowlark, who was the first speaker, he has in one sense made a representation for a larger budget and then thrown

around it a whole lot of concerns which have me baffled as to what direction he would really want to go. That member raised a question about the creation of the department or departments. On the one hand, he seemed to be saying that perhaps we were indulging in too much bureaucracy and governmental overhead by creating a department and, on the other hand, I detected in one of his comments that maybe it should've been done 20 years ago. I'm just not quite sure where he's at. He did raise a question about the risks of confusing the private sector by having more departments and wondered what the justification seemed to be for that. I would put to him the question of whether he would have named his children Mitchell Junior One. Mitchell Junior Two. Mitchell Junior Three. It seems to me that by providing a name, it is a little bit easier for the public and the private sector to have some focus and appreciation for a thrust of government. I don't think I'll take my explanation further than that. It would seem to me that's fairly obvious.

I noted that there is some fear in his comments about competition with the private sector and, on the other hand, fear that we won't make sufficient progress. He did raise a question about measurement. We could measure activity and/or success in several different ways, but I call the attention of hon. members to the fact that in vote 2 a number of centres are referenced. I would suggest that one measure of success will be the usage, which surely can be readily identified, that will emerge from that. Within the department, especially because it's a new department, we have a variety of benchmarks with time frames on them that we want to achieve, but I don't think from the nature of the questioning that's really what the hon. member was concerned about.

He did raise a question which had to do with western aerospace, Mr. Chairman, but a number of the hon. members have raised questions which are dealt with in vote 2, including the hon. Member for Edmonton Strathcona when he referred to the Speech from the Throne and the enumeration, if you will, in that paragraph on page 5 of it that lists a number of areas that we are committed to support.

So I'd like to take hon. members for a moment to vote 2. If they will bear with me. I will try to go through some of vote 2: I think it will deal with a number of questions. Let's begin at the beginning of vote 2 and discuss the \$1 million which is being provided for the support of the Laser Institute. Perhaps before I do that I should ask members to reflect for a moment, because there was concern about the private sector and the \$19 million. You will notice that most of the way down we're talking about the Laser Institute, the telecommunications centre, the Microelectronic Centre, computer development — light rail vehicle electronics is a little bit different — the Centre for Frontier Engineering Research. The point I'm trying to make is that members would be mistaken if they thought that in some manner that money is going directly to the private sector. There is effort made to create building blocks, and a portion of that money is going into the formation of those building blocks and for the support thereof. So those who had a fear about the private sector pocketing it and wandering away without giving anything in return, which I did hear expressed, should be reassured by that.

But let's be a little more specific. The Laser Institute was established at the University of Alberta in 1984, and it has a mandate of investigating the use of lasers within Alberta industry to assist industry with the development and

implementation of laser systems, to provide more cost-effective production technology. The commitment is over a period of five years to provide up to \$5 million over a period of five years, and \$1 million of that is what you see set aside in vote 2.0.1 in the element statement.

The Alberta Telecommunications Research Centre comes next. That was raised in a very unfortunate and highly erroneous manner. It was suggested, at least by implication, that the government had given \$4 million to Bell-Northern. That is just simply not so, Mr. Chairman, and I want to set the record straight. As a matter of fact, I will go further and say that very little if any of the money in the estimates for last year, while it is shown in the estimates, was ever used. So the hon. Member for Edmonton Mill Woods, who had that fear, should be reassured on that point.

It is correct that there have been some changes in the commitment that Bell-Northern originally undertook to the Telecommunications Research Centre, but I am pleased that in the near future I may be able to make a very positive announcement relative to the future direction of that particular centre. I am optimistic that not only can the original objective be achieved, which was to conduct research in optical fibre communications and computer-aided design of microelectronics, but we may be able to see a larger base for the centre and not quite so much dependency on one or two participants, as was indicated originally.

With respect to vote 2.0.3 — again, focussing here because of the high interest of a number of members in this particular area — this deals with support for the Alberta Microelectronic Centre. The government approved funding by way of grants to the centre to establish design and fabrication facilities at the universities of Alberta and Calgary. In the current year a total as shown has been approved for disbursement, and there is also provision in the Alberta Heritage Savings Trust Fund, capital projects division, if members want to go to it.

I would state that what we are trying to do through the Microelectronic Centre is, as I've indicated, the development of design and fabrication facilities and also the acquisition of microchip design and fabrication technology from LSI Logic of Canada. In exchange for that, they have brought a good portion of their proprietary information to our microelectronic centres. They have established their head office in Calgary. I am hopeful that if plans proceed as we expect for the expansion of that sector of the industry and their successful leadership in it, there will be further development in the Edmonton region relative to microchip fabrication.

With respect to item 2.0.5, this relates to the use of supercomputer at the University of Calgary and the commitment of government to assist by the prepurchase of up to \$10 million of supercomputer time credits for the period December 1, 1984, to the end of March '89. This is a payment of a portion of that previous commitment. This, of course, is to provide access to both universities to computing power which would not otherwise have been available. In fact, I could mention that the supercomputer is relatively unique in North America, let alone in Canada. It has provided a capacity and power which the private sector and our researchers in Alberta could never otherwise have had access to.

Light rail vehicle electronics is at this stage a commitment on the part of the budget, subject to completing details. This is to assist in the fabrication of two prototype light rail vehicles equipped with alternating current propulsion systems, to test the prototypical vehicles over a two-year

period in the hope that there would be an ability to bring that to market. It is done in conjunction with Siemens AG of Germany, Siemens Electric Limited of Canada, the province, and the cities of Edmonton and Calgary.

I should indicate — because somebody asked; I've forgotten who at the moment — under what conditions money is made available to the private sector. In the majority of instances we are insisting that the private sector put its risk capital in first, so that we're not making a judgment as to the value of the project solely in our eyes, but the private sector has to show that in their eyes they are prepared to take a risk with it.

Item 2.0.7, the Centre for Frontier Engineering Research, is a development sponsored by the Devonian foundation, the U of A, and the government to create that particular centre. Members may be aware that the former Dean of Engineering, Dr. Peter Adams, at the University of Alberta is the president of that particular centre. Their objective was to conduct research with materials, design, and construction for Arctic and offshore developments. I am pleased to say that last week I was able to attend a luncheon following a board meeting, and I am really impressed with the number of private-sector subscribers who have put large sums of money into the C-FER project. In doing that, Mr. Chairman, I might indicate that not only is it now focussing on cold-weather research structures and the behaviour of steels but it's also dealing with an immediate problem of the energy industry, which has to do with corrosion, strengths, and other elements of tubular down hole steel research. It is coming along quite nicely, in my opinion, and has widespread commercial support.

Mr. Chairman, because I'm consuming a fair amount of time with this, maybe I should ask if this is the kind of thing that hon. members find useful or not.

SOME HON. MEMBERS: Yes.

MR. YOUNG: Otherwise I'm quite . . . [interjection]

MR. DEPUTY CHAIRMAN: I wonder if you could address the Chair, please.

MR. YOUNG: I'll come back to that if I may. I'd just as soon finish vote 2.

MR. DEPUTY CHAIRMAN: Mr. Minister, I wonder if I could interrupt you for a few minutes. There is a member who would like to introduce some special guests.

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

MR. McEACHERN: Thank you, Mr. Chairman. I would like to introduce to you, and through you to members of this Assembly, three people of whom I am very fond. One is my uncle, Johnny Karr, who lives in Edmonton. He has brought two people who had something to do with the fact that I exist. They are my parents, Ian and Isabella McEachern. They raised 12 kids in the farm community of Hinton Trail, 40 miles west of Grande Prairie, and now reside in Hythe. I would ask them to rise and get the warm welcome of the House.

head: COMMITTEE OF SUPPLY**Department of Technology,
Research and Telecommunications
(continued)**

MR. YOUNG: Mr. Chairman, if I can proceed to item 2.0.8 under vote 2, this provision of funding is what I would call an "as if" situation. A proposal by some Alberta residents has come forward for a research program for which they estimate the cost of about \$1 million to develop a process to recover vanadium pentoxide and molybdenum from fly ash and spent catalysts which are produced at the tar sands mining. As government we have approved the request, subject to completion of some arrangements between the company, Vadnor, and I guess I would have to say the owners of the residue from the tar sands mining. There are a number of arrangements which have to be completed, but it seemed to us that that would be a very desirable development at relatively little cost to us if, in fact, it can be made to work.

I should on this point raise another matter to the attention of hon. members. You will note that there is a Budgetary line and a Non-Budgetary one under the heading in 2.0.8. If it would be a grant, it would be shown opposite Budgetary. If it would be the purchase of patent equity, if you will, by way of preferred shares or a loan, it would almost certainly show opposite the nonbudgetary column. You may find that helpful by way of understanding the accounts and how they are set out.

With respect to 2.0.9 shown as satellite receivers, we have entered into an agreement with Nortech Surveys (Canada) Inc. to provide \$1 million by purchase of preferred shares over a period of time to fund a research and development program. The objective is — and I hope hon. members' geophysics or whatever else is better than mine to understand this — to produce a low-cost receiver to compute from satellite signals the position, velocity, and exact time of the user within acceptable degrees of accuracy, and that's very fine. The idea is to enable anyone with a capacity to do this to identify their location. It's very important to oil companies for geophysical exploration. It would also, obviously, be very useful for navigational purposes. That is the project for which that budget item is set aside.

The next item, Laser Institute, has to do with the development and advancement of the laser cutting systems. Hon. members will be, I suspect, mostly familiar with General Systems Research. The company's objective is to manufacture complete systems for laser cutting, which could be marketed to a variety of potential industrial users. What we have provided here, as in the past, is some opportunity to get that company moving by way of assistance with their research. The arrangement has to do on a pay-back basis if they are successful in selling machines. The government gets a certain proportion of its funding back, its start-up funds. I could get into more detail if hon. members are interested.

Under heading 2.0.11, aircraft technology, the specific question "Why select Western Aerospace?" was raised. I gathered that was not so much why move in that direction but rather why that particular initiative as opposed to what one might see as a range of other initiatives. I think that was the sense of it. In any event, the initiative itself is for the purpose of trying to assist a company, Western Aerospace, to become involved in the retrofitting of airplanes and particularly the F-5s owned by the Canadian forces.

There is, I think, a desire on the part of all of us that the expenditure of federal funds should be allocated in some fair distribution across our country. There is a need because of the age of these particular planes but also because of their significance to the Canadian Armed Forces to have them retrofitted. It seemed to those who came up with this concept that Alberta would be a good place to do that, and we happen to have a combination of people with experience in the aerospace industry. They were supported by the manufacturers of the planes initially and also by Pacific Western and others. It has potential not only to become involved in the retrofit of the planes for the Canadian Armed Forces but there is a considerably larger fleet of them worldwide, some of which are now grounded because they really need a fundamental retrofit — so great potential there. In conversations I've had with the principals of the company, I'm satisfied that they also see some other potential with a different line of aircraft, so the money allocated there is really to assist them, as will be obvious, in a nonbudgetary way on a loan basis to get started with a prototype refit.

To address the larger question which was raised in connection with Western Aerospace, I think that as a department and a government we have to have our own print of what we think would fit well into Alberta. It's pretty obvious that when one is looking at aircraft, the transportation negative or differential that is a handicap to many of our industries is not a handicap when it comes to the aircraft industry. That is one reason. A second one is that we, in addition to having taken a raffle approach to industries or companies that we want to develop here, also need to be able to respond to the initiatives and experience out there that come to us. We believe that the particular proponents of Western Aerospace had a good concept. They do bring a lot of experience. Pacific Western Airlines is a very active company in our province, and we think that the proposal has a good potential.

I think the hon. Member for Edmonton Meadowlark raised a question about our being aggressive as a government. In the sense of purchasing. I would say to the hon. member that one of the proposals we're looking at from a departmental point of view and which we think has some potential is a concept of first purchase. In other words, if a product is developed by one of our companies and it's just past the prototype stage, it may be that we can give that company a good bit of momentum by being prepared as a government, if we have a use for the product — I underline that, because there's no point in buying products, and in fact it wouldn't achieve the purpose, if we're not using them. But if we could take some of the risk of that first purchase, it would enable that company to demonstrate to others in the private sector that we have confidence in it and how it has performed. That does require us to be prepared as a purchaser to accept some risk and not sit back and wait till all of the products have been proven by their use in the private sector.

The hon. member made some observations about Altel Data. I probably talk to some of the same people he talks to. I'm sure that if I as a minister and an MLA in a different department heard from them before, I will hear substantially more from them in the future. I look forward to specific suggestions from the hon. Member for Edmonton Meadowlark, if he has some, on how one would draw some needed bounds. With respect, I think that the hon. member raised a whole series of negatives, but I wasn't sure that I heard a very clean, positive suggestion about how to deal with it. I look forward to that kind of assistance.

With respect to the activities of other departments not eroding initiatives, I gather that this concern was that we have an overview of what is in fact going on and make sure that the government through its own staffing not undertake research or activity which could be equally well done by the private sector and which, perhaps, if done by the private sector would lead to export opportunities and application elsewhere. I would say to all hon. members that one of our objectives is to have a sufficient overview so that hopefully that kind of problem will not occur. But I would also at the same time invite hon. members, if they perceive that that problem is developing, to please alert me to it so that we might follow up on it.

The hon. Member for Edmonton Mill Woods raised some questions about vote 2, which I think I have addressed in some considerable detail. He raised the question of evaluation of innovation on employees and the fear of unemployment, et cetera, caused by technology. I addressed that in my opening comments. I realize that feeling that one may be impacted by unemployment of any kind, by change of any kind, is stressful and disturbing. But I think we have a social net that in a rough way and in some ways in a very targeted way can respond to those concerns. I want to put this point of view to hon. members again. If we don't proceed with technology and development, if we try to stand still out of fear, we're not standing still, we're walking backward, because the rest of the world is walking forward while we're standing still. We really don't have an option in that respect if we want employment and quality of life. So while I understand the point being made by the hon. member, I think that we in this Assembly all have a responsibility to try to assist people who bring to us that fear by telling them about the programs there are for adjustment and how technology and technological advance are necessary in our own self-interest. Undoubtedly we will be having more discussion about that in the future.

The hon. Member for Edmonton Mill Woods also raised a question of co-ordination. It seemed to me that the request was for a blueprint; in fact, the exact word was an "authority" controlling research within the public domain. I do not believe that that can happen in an absolute sense. I think that to do so would just simply throttle the opportunities and initiatives that exist out there. I think it is something we need to address, and we are addressing it. I've already referred to the mandate to have an overview of the research and try to avoid duplication. But to go so far as to have an authority which would receive all of the requests from all directions I think would be absolutely stifling in the most destructive and negative manner.

There were questions raised about ACCESS Network. I would just like to say that ACCESS Network is committed to education. Having met with the board briefly on Thursday last — I recall my earlier days when I was acquainted with more people in the education area — I met with a number of professional educators who are members of that board. In fact, Advanced Education and the Department of Education are represented on the board. I heard the hon. member's representation concerning school boards' or the Teachers' Association's presence or lack thereof, but I want to demolish once again any concern that ACCESS Network is not responsive and is moving away from its mandate to education.

There were questions raised in connection with Athabasca University. It seemed to me a question of trading off assistance with production against some air time. That's a much more technical question than I'm sure the hon. member

would expect me to respond to today, especially since I've had no notice that there ever was a concern about that.

With respect to the suggestion from the hon. member that he has scathing letters from film centres around the province concerning the cutback in regional offices, the cutback in service, first of all, let's be clear. There are only, I believe, three regional offices remaining. They had a maximum of six employees in total, as I understand it. I've already explained that the mandate of those offices as they were originally conceived, compared to the function being performed today, on review was not felt to be as high a priority as it once had been. I know, and I'm sure the hon. members know, that there are always some who believe that the service is important to them, but we have to look at the overall picture. Frankly, I've had very few questions or comments about that action to close those regional offices, except from the hon. member, one former employee, and a couple of other persons who I presume are educators.

I would remind hon. members that my mailbox is always open, my door is reasonably open, and the phone lines have worked ever since I've been in the office. If there is all of the fuss and feathers flying that the hon. member is suggesting, it's sure not flying at my office. He must be his only little lightning rod, Mr. Chairman.

AN HON. MEMBER: I wouldn't use that term.

MR. YOUNG: Well, I'm not sure about the degree of charge.

With respect to the concern about the satellite channel as a jeopardy of the delivery to schools or the diminishment, if you will, of that service, I think that's in the wrong perspective absolutely. Through the satellite channel schools that were not on a line to be able to do it before are now able to receive by a dish — which is also partially paid for by ACCESS and in most cases by the Department of Technology, Research and Telecommunications — programming that they couldn't get before. For the most part those are the very schools that are in the most rural of areas. The hon. member and I have quite a gap in our understanding of what is service to rural areas, based on my knowledge of what is happening as a consequence of that satellite system.

The question of the charitable foundation was raised, and I'd say very quickly that I am aware of the problem. There is a commitment on the part of government to proceed with the charitable foundation. There have apparently been some questions of an organizational and legal nature, but I believe those are near resolution. On June 26 when I met with the board of ACCESS network, I made the commitment that would be one of the first matters I would follow up on their behalf.

The hon. Member for Edmonton Strathcona raised a question about competition by AGT and ET. Why couldn't certain products be leased? I was of the understanding, somewhat confirmed by the hon. Member for Edmonton Meadowlark, that the competition is really stiff. Sale, lease, or rent-to-own: by any name you want to call it, if there is a buck to be made, I would think that there are people in the private sector willing to try to do it. If I had specifics, I could check into it, but I would surmise at the moment that the particular configuration that was in this case purchased over a three-year time frame was configured to the very special needs of that particular operation. The hon. member is shaking his head. If the hon. member has facts

and would like to get to me separately. I would be happy to follow it up and see whether there's a real problem. But I don't think that one should generalize from the problem raised.

In dealing with vote 2, I believe I have dealt with the question raised by the hon. Member for Edmonton Strathcona concerning the throne speech, because those are the very same items, almost word for word, as are covered in vote 2.

Finally, with respect to the concern about the amount of expenditure attributed to the minister's office — I think that had been raised by the hon. Member for Edmonton Meadowlark — I would just say that I tend to run a fairly spartan office. I think, as offices go. Because it is fairly new and we're inheriting a budget that was otherwise set up, I suspect that some of that funding may not be used and other of it may be attributed, if it can be done within the limits of the regulations that apply to budgets, or it may be better spent in the department. I'm not sure of that yet. We do not now have the complement of staff that is provided for in that budget allocation, and in fact I do not expect the minister's office to achieve that complement.

Mr. Chairman, there may be some other quick questions that we could deal with this morning.

MR. PIQUETTE: A few questions, Mr. Chairman, about the estimates provided by the minister. It's relating to the same question. I was just taking a look, for example, at the — why is it that in a department that has estimates of \$26.5 million, the minister's office will be spending approximately \$400,000, a 19 percent increase over last year, whereas the Minister of Agriculture's office, with a budget of \$434 million, will be spending \$285,000 for the minister's office? I think there is quite a discrepancy between those two figures. Your answer perhaps partially answered that, but I was wondering why in the world those kinds of estimates would come down to begin with, without being reviewed prior to being tabled here in the House.

Another area I feel has been overlooked in vote 2 is that technology is not addressing any issues relating to the agricultural industry in Alberta. I know we're looking at high tech here, but high tech could also be developed in the food processing industry. That's not at all addressed in the Department of Agriculture's research budget or in this one. Technology, Research and Telecommunications. I would advise the minister that another area we should be looking at, if we're going to be taking the leadership in terms of the food processing industry in this province, is making sure research addresses this key sector of the Alberta economy.

Another area that the New Democrats feel this budget estimate should be addressing is the need for high technology relating to a train link idea between Calgary and Edmonton. It would provide not only job creation for about 7.745 person-years for direct construction employment but also the spin-off and the technology that would be developed if we were looking at a high-tech type of high-speed train between Calgary and Edmonton — which is, by the way, in terms of vehicles travelling between Calgary and Edmonton one of the highest travelled corridors in North America. I believe it's the fifth highest. This type of development would be a direct employment benefit. Also, the spin-off in high technology in terms of electrical propulsion, electrification, signalling, and communication control systems as well as those providing computing and engineering services would place Alberta on the leading edge of a variety of technologies

and benefit the province for years to come. If we could also put in part of the research this type of technology and development, it would go a long way in terms of the economic spin-off for Alberta.

I also have the same comment as the Member for Edmonton Meadowlark. When I was in business in the city. I saw a lot of competition between AGT and private firms that I felt was very unfair. I'd like to see AGT or your department more involved in terms of developing a high-tech type of research relating to telecommunication, as opposed to being in direct competition in terms of personal computers, et cetera. I think that area can be done very well by our small business sector in Alberta, but what they do need is that instead of importing our technology from the United States or elsewhere, we should be striving much more for that type of technology development to be taking place here in Alberta.

One last comment I would like to make is that I find it hard to understand why this new ministry was created. I know we were trying to focus on this, but it should really be part of the economic development portfolio. It could be a subdepartment, and we could be saving a lot of money in terms of the ministries involved, because economic development really does take in high tech and research, et cetera. I still haven't received a good answer as to why the two departments were split up and responsibility for that ministry not simply given to the economic development department, to make sure that high tech and research and telecommunication were all part of that package.

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. 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 report and [request for] leave to sit again. Do you all agree?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: So ordered.

MR. CRAWFORD: As to business next week, Mr. Speaker, the proposal will be that we sit the three nights next week and be in Committee of Supply throughout the week. I would like to try to give the members some indication as to the departments to be considered next week, and subject to Wednesday being a day on which the opposition can designate the department, we would propose the following: Monday afternoon, Transportation and Utilities: in the evening, Agriculture: Tuesday in the evening we would propose to bring back Advanced Education for a continuation of that department: Thursday evening, Forestry, Lands and Wildlife: and on Friday, Executive Council.

Mr. Speaker, I move that we call it 1 o'clock.

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Having heard the motion of the Government House Leader that it be called 1 o'clock, do you all agree?

[At 12:55 p.m., pursuant to Standing Order 4, the House adjourned to Monday at 2:30 p.m.]