

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, April 6, 1987 2:30 p.m.**

Date: 87/04/06

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

MR. SPEAKER: Order please. The Minister of Agriculture and I sincerely thank the House for their rendition of Happy Birthday. [applause]

head: TABLING RETURNS AND REPORTS

MR. DINNING: Mr. Speaker, I wish to file with the Assembly copies of a statement made by myself this morning with respect to the \$18 million expansion and upgrading of the Rosehaven Care Centre in Camrose.

MR. RUSSELL: Mr. Speaker, I beg leave to table the annual report of Keyano College.

DR. WEBBER: Mr. Speaker, I'd like to table the 1985-86 annual report, Alberta Petroleum Incentives Program Fund.

MR. JOHNSTON: Mr. Speaker, I'd like to file copies of a letter regarding the Credit Union Central as requested in the House three or four days ago.

MR. STEVENS: Mr. Speaker, I wish to table a presentation of the Alberta Alcohol and Drug Abuse Commission to the Standing Committee on National Health and Welfare of March 19.

head: INTRODUCTION OF SPECIAL GUESTS

MR. SPEAKER: Minister of the Environment.

MR. KOWALSKI: Thank you very much, Mr. Speaker. It's my pleasure today to welcome to the Legislative Assembly and introduce to all Members of the Legislative Assembly, 40 smiling, determined, and very aggressively hard-working young students in grade 6 from the school at Swan Hills, Alberta. Students are accompanied by two teachers, Mrs. Joyce Venables and Mr. Gary Dogterom, and six parents who have also come along today as chaperones and have come along to visit the Legislative Assembly: Sharon Larson, Sylvia Beeson, Debbie Bujold, Penny Kruse, Deb Melefont, and Lynn Wilson.

Mr. Speaker, our guests are seated in the members' gallery,

and I would now ask them to rise, smile, and receive warm greetings from my colleagues.

MR. SPEAKER: Member for St. Albert.

MR. STRONG: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to Members of the Legislative Assembly, a group of 57 grade 6 students from Albert Lacombe school located in the constituency of St. Albert. They are accompanied today by three teachers, Mr. Mel Bosche, Mrs. Imelda Borodowka, and Mr. Brent Andressen, and also by one parent, Mr. Gary Ross.

They are seated in the members' and the public galleries, and I would ask if they would rise and receive the traditional warm welcome of this Assembly.

MR. ALGER: Mr. Speaker, it is my pleasure this afternoon to introduce a celebrity of sorts in that he once attended at this Legislature with a new concept, you might say, in political endeavour.

May I present to you Mr. Gordon Kesler and his associate Rick Blum and ask them to rise in the members' gallery and receive the warm welcome of the House.

MR. DAY: Mr. Speaker, it's a pleasure for me to introduce to you today 11 students from grades 8 and 10 of the Koinonia Christian school in Red Deer North. They're accompanied by two of their teachers, David Radcliffe and Myra Schween. I would ask them to stand up and smile and receive the warm greeting of this House.

MR. McEACHERN: Mr. Speaker, it's my pleasure to introduce to you and through you to the rest of the Assembly, 27 students from grades 5 and 6 of Queen Mary Park school in the constituency of Edmonton Kingsway. They are seated in the public gallery, and they are accompanied by their teacher, James Frank Gordy. I would request that they rise and receive the traditional warm welcome of the House.

MR. SPEAKER: Member for Edmonton Highlands.

MS BARRETT: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and members of the Assembly two guests seated in the public gallery. They are Neil Reimer, who was leader of the Alberta New Democrats from the time of its inception until 1968 and also president of the national Energy and Chemical Workers until two years ago, and his granddaughter Meagan Kammerer, daughter of Jan Reimer. I ask them to rise and receive the welcome of the Assembly.

DR. BUCK: Mr. Speaker, I would also like to introduce some guests from southern Alberta, Mr. and Mrs. Van Nistelrooy and Wendy Van Nistelrooy. They are seated in the public gallery, and I would ask them to rise and receive the recognition of the Assembly.

head: MINISTERIAL STATEMENTS**Department of
Forestry, Lands and Wildlife**

MR. SPARROW: Mr. Speaker, today I'm pleased to announce that we are recognizing National Wildlife Week, April 5 to 12.

This year's theme is Join Hands in Conservation -- Wildlife Needs You. It was chosen to emphasize the important role we all must play in conserving our precious wildlife heritage.

National Wildlife Week is a joint effort of the Alberta Fish and Wildlife division and the Canadian Wildlife Federation. This year's event is of special importance as we celebrate Wildlife '87, our 100th anniversary of wildlife conservation activities in Canada.

Through the centennial year and in all parts of Alberta my department is proceeding, with the co-operation of local community sponsors, to establish no less than two natural areas or habitat management areas per month in lasting recognition of the commitment of this government and the people of Alberta to securing a future place for wildlife on the land. To date the response by all sectors of government, industry, and Albertans at the local community level has been overwhelming. Major benefits of this initiative will be in securing of a wildlife resource base that will play a key role in providing future recreation and tourism, with the emphasis on wildlife viewing, photography, and general appreciation of this resource.

There will also be a wide range of other activities across the province to highlight the significance of this week. For example, the Alberta Fish and Wildlife division is proud to again sponsor the National Wildlife Week poster contest. One hundred of the entries will be displayed in the museum's orientation gallery during the month of April. In addition, the division will be setting up mall displays and arranging classroom visits by wildlife officers and biologists.

In Edmonton there will be a major event at the Provincial Museum of Alberta on April 9 to 12, which will include films, displays, field trips, and many other wildlife activities. Naturalists and biologists will be available to answer questions and explain their activities. In addition, speakers have been invited to discuss conservation programs and problems and how we as Albertans can become involved in conserving our natural heritage.

In the spirit of Wildlife '87 my colleague the Minister of the Environment and myself have invited private industry, local governments, volunteer organizations, and individual citizens to accept the challenge of highlighting the many conservation activities initiated by and for Albertans. Teamwork is needed for the preservation of our wildlife resources, and we are confident that the many municipal districts, counties, towns, corporations, and elected representatives already contacted will meet this challenge now and in the future.

National Wildlife Week is a time for all of us to reflect on how fortunate we are to have the opportunity to enjoy such abundance of wildlife in the province. Care of our wildlife benefits Albertans as well as our tourist visitors in providing an exceptional environment for the enjoyment of all our natural resources. I invite members of the Assembly to take the opportunity to participate in the worthwhile activities of this special week and look forward to hearing of the conservation activities being encouraged within each of their constituencies.

Thank you, Mr. Speaker.

MR. MARTIN: Mr. Speaker, I'm glad we're recognizing National Wildlife Week, but I wonder how sincere the government is, because it seems to me that we've been moving towards game ranching; we've been getting letters all over about the grizzly hunt, the wolf kill. And what was interesting at a convention that I heard about -- maybe at Conservative conventions the right wing takes over and they start to utter things they don't

really believe, but the Minister of Economic Development and the Minister of Tourism are telling us now that they want the province to take over our national parks so that they can have more development. So I have to say that it's just a touch hypocritical when we're going to stand up and talk about National Wildlife Week, because this particular government has not been exactly wildlife orientated in the past. But now that we're recognizing the week, perhaps we will change our ways, but I hardly think so. So as I say, a touch hypocritical.

head: ORAL QUESTION PERIOD

Office Space Tendering Process

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Minister of Public Works, Supply and Services. Just prior to the supper hour last Thursday the Minister made his supper-hour announcement of an under-the-table deal to lease 400,000 square feet of prime office space through the Tory network. Now my question to the minister: in view of the fact that the provincial government had already purchased the federal building, could the minister indicate why it was necessary to lease another 400,000 square feet at Olympia & York and pay top dollar for it?

MR. ISLEY: Mr. Speaker, I thought I clarified most of that information on Friday. I attempted to make clear to the House that this was not necessarily another 400,000 square feet of space flowing into our inventory; it could very well become replacement space at no net cost to the province. I also attempted to make very clear that our reason for proceeding with these discussions that finally did bring fruit was to create, number one, a few thousand construction jobs in downtown Edmonton where they are sorely needed and, number two, to participate in the redevelopment of the downtown of this capital city.

MR. MARTIN: Well, as the Premier says: spend, spend, spend.

My question is to the minister, Mr. Speaker. The minister has become quite a wheeler-dealer with the taxpayers' money. He seems to be one who can't resist a good sales pitch, especially if there is a prominent Tory around. But will the minister explain how many new government employees he is going to have to hire to fill the new 600,000 square feet of office space, or are we just going to hire a bunch of Tories to sit in these fancy offices?

MR. ISLEY: Mr. Speaker, I'm obviously not getting through to the hon. leader. The federal building was brought into our inventory back in about 1983. The federal government will be vacating that building probably late in 1988, and I believe they've asked for an extension over their original planned time line. I have no intentions, as I stated Friday, of adding additional unused space to our inventory. And if we're talking of costs of lease space, remember that that goes through this Legislature in one of my votes and will go through the Legislature at the same point in time when that space comes into the inventory and is actually used.

I also attempted to point out that we lease over 4 million square feet of space in the city under a variety of lease lengths and a variety of degrees of flexibility and that if there's no additional demand for space, this will simply be replacement space. If we've negotiated it as well as I believe we have, it could be

replacement space at no additional cost.

MR. MARTIN: Mr. Speaker, that's absolute nonsense. That's 600,000 square feet more. Who are you kidding, Mr. Minister, at the time you're talking about downsizing government? And I suggest the minister has purchased office space which the government does not need and is using money that the government does not have. I ask the minister clearly, in view of the fact that we're cutting back in almost everything, what sort of priorities is this minister giving to the people of Alberta by renting this unnecessary space?

MR. ISLEY: Mr. Speaker, I think my priorities are very clear for anyone that takes the trouble to read *Hansard*. I can assure you that our vacancy rate in both government-owned space and in government-leased space is very, very low. I believe that the last time I reported to the House on government-leased space, our vacancy was less than 1 percent. My department simply provides space for other departments, and we don't intend on having a bunch of vacant space around. So, as I say, unless there's growth, this will be replacement space.

MR. MARTIN: Well, Mr. Speaker, we would like to take an inventory of the empty space around this province rented by this government. But my question is simply this, to the minister: could he table then in the House why he thinks this will be just replacement space and it's not going to cost taxpayers money? He must have studied it before he went and spent all this money. Would he table that in the House then?

MR. ISLEY: Mr. Speaker, let me again make very clear that I have spent no money. There is no cost for leased space until the point in time you begin leasing it. There is no cash flowing out of my estimates in 1987-88, there will be none in '88-89, and there will be some beginning in early '90. [interjections]

MR. SPEAKER: Order. The Chair is having great difficulty hearing the minister. Please continue, Mr. Minister.

MR. ISLEY: I'm finished, Mr. Speaker.

MR. SPEAKER: Supplementary, Member for Edmonton Meadowlark, [inaudible] question.

MR. MITCHELL: Mr. Speaker, thank you very much. To the minister: why is it that the minister has refused to release the agreement with Olympia & York? Is this not clearly public information that should be made public any time it's requested?

MR. ISLEY: Mr. Speaker, I also responded to that question on Friday, and the answer is in *Hansard*.

MR. SPEAKER: Second main question, Leader of the Opposition.

Alberta Government Telephones

MR. MARTIN: Yes, Mr. Speaker. I'd like to direct the second question to the Premier. Over the weekend it became clear that the ideological right wing is taking control of the Progressive Conservative Party of Alberta, and I understand that the convention passed a resolution calling for the privatization of Alberta Government Telephones. Would the Premier indicate . . .

[some applause] Well, go ahead; pound. A little row of people like that. . . Would the Premier indicate if this is now the stated goal of this government?

MR. GETTY: Mr. Speaker, it's quite interesting, and I thank the hon. member for raising this significant event that went on in Calgary on the weekend. It was -- I can confirm for the House so that everyone will know what he was referring to -- the biggest and most successful annual meeting and convention, and at that convention there was a great deal of discussion on many government initiatives. In one of them there was discussion on whether or not there could be privatization of Alberta Government Telephones or other government operations, and as most members know, if you can bring into the corporations the accountability of the profit system, you normally find that they work much more efficiently. So we are looking at that very carefully.

MR. MARTIN: Well, Mr. Speaker, it's nice that there are 2,500 votes left for this government. My question is, to follow up . . . Look at them. [interjections] Yeah, we'll call on David Kilgour.

My question is to the Minister of Technology, Research and Telecommunications. The minister recently -- I believe in January -- commissioned a study into the operation of AGT by Dominion Securities, giving some work to that privatization king, Keith Alexander, former MLA of this Assembly. My question is: in view of the resolution passed by the Conservatives at their convention and comments made recently by our Provincial Treasurer, is it not the case that the government has already made up its mind and is going ahead to privatize AGT, that this study is just a waste of money?

MR. YOUNG: Mr. Speaker, to the hon. leader. First a couple of corrections of fact: with respect to the Dominion Securities review or study that's under way, that's contracted with Alberta Government Telephones and not directly with the government; and secondly, that 2,500 members at a convention translates into some large multiple of the number of members that the New Democratic Party could succeed in getting to a convention.

MR. SPEAKER: Order please, hon. minister. Perhaps the minister could keep his reply to his direct responsibilities rather than the other comments, please.

MR. YOUNG: Well, Mr. Speaker, not to debate the point; simply trying to deal with preamble in the question.

With respect to the resolution that was passed at the annual convention, as was announced at the annual convention and publicly announced, the resolutions passed at the annual convention are forwarded to the caucus and to cabinet and will receive very close consideration by caucus and cabinet. No decision of government has been taken on the privatization of Alberta Government Telephones to this point. The studies that are currently under way are focusing, in fact, on the financial structure of Alberta Government Telephones.

MR. MARTIN: Well, a supplementary question to the landslide minister over there. I might point out you're number two in Edmonton now, before you get too excited.

My question to the minister is simply this: is the minister then saying -- this is what I was trying to get out of the Premier then -- that this resolution passed at the Tory convention is re-

ally not worth the paper it's printed on, that they haven't made that decision, and you're not listening to your delegates then?

MR. YOUNG: Mr. Speaker, I have great difficulty when we get using the verbs "slide" and "slippery," as has been used in the preamble to this question. But to restate again, the convention, the very large convention, passed a resolution. That resolution was, as were all resolutions, committed beforehand to be considered by the caucus and the cabinet, and they surely will be, and responses will be given back. We will also take into consideration a variety of other factors, which in the context of time available to the convention would not have been possible, and included among those will be an assurance and completion of the individual line service program and the extended flat rate program that have been committed.

MR. MARTIN: Well, a supplementary question, Mr. Speaker. I hope that they do accept all the resolutions that came out of that convention. They'll go down faster than ordinarily. But my question simply is this: does the minister not agree, even beforehand, that a privately held monopoly under guaranteed cost-plus regulated profit is the worst of both worlds, and has he checked into the possibility that federal regulation might follow from privatization of AGT?

MR. YOUNG: Well, Mr. Speaker, the hon. member raises a number of factors that would have to be a part of any consideration that would be given, but it's important to note for the hon. leader that Alberta Government Telephones now has a turnover in dollar volume in excess of a billion dollars. And with the high debt to equity ratio, about 90 percent debt to 10 percent equity approximately, which is very unusual for a utility, it is very difficult for the management of that corporation to produce a bottom-line profit result which doesn't lead to the Public Utilities Board's, under accepted rules for regulation of public utilities, having to adjust telephone rates up or down for a small change in profit. It is a very awkward situation for the Public Utilities Board, for the management of Alberta Government Telephones, and therefore, Mr. Speaker, for the subscribers who -- I think as all of us -- would like to know what would be the long-term direction for subscription rates. And that's why we're looking at the financial restructuring.

MR. SPEAKER: The Member for Clover . . . The Member for Westlock-Sturgeon.

MR. TAYLOR: Did you call Clover Bar? I'm sorry.

Mr. Speaker, back to the original question on privatization or sale of government assets. To the Premier. Does he have any other institutions or corporations owned by their government up for sale? Are there any more they're contemplating that they would be privatizing or selling; for instance, some more hospitals?

MR. GETTY: Yes, Mr. Speaker.

DR. BUCK: Mr. Speaker, a supplementary question to the hon. Premier. Can the Premier assure the Assembly and the people of Alberta that in the studies that are going on there will be assurance that the single party line system will proceed as per schedule, to make sure that people in rural Alberta would have a single party line, just in case it was taken over by a private company?

MR. GETTY: Yes, I would give those assurances, Mr. Speaker.

MR. HERON: A supplementary question to the Minister of Technology, Research and Telecommunications. The Official Leader of the Opposition just alleged that the contract which you have clarified was awarded by AGT. Would you please clarify for all members of this Assembly whether the contract was issued to that person named or to a national brokerage firm specializing in research and marketing of securities?

MR. YOUNG: Mr. Speaker, the contract was made to or with Dominion Securities and requires of Dominion Securities, as I understand it, for them to seek some outside legal advice and other advice as may be required. So it doesn't even rest totally with Dominion Securities, let alone an individual, but rather requires of Dominion Securities the best efforts of the senior personnel of that firm as well as some, if you will, subcontracting on the part of that firm, as I understand it.

Vencap Equities Alberta Ltd.

MR. TAYLOR: Mr. Speaker, my question is to the Premier. It's three and a half years now since we set up Vencap, and the records show that 30 percent of Vencap's assets is all that has been committed to venture investments. Over \$200 million is sitting in there, in the last statement, in marketable securities. Now, with 145,000 unemployed people in this province, Mr. Speaker, it makes little sense for this much money to be sitting in Vencap gathering interest and dividends. Can the Premier tell the House why, after three and a half years of operation, Vencap has invested so little in the assets of venture capital projects in Alberta?

MR. GETTY: No, Mr. Speaker.

MR. TAYLOR: I'm glad it's a mystery to you too.

What discussions has the Premier had, then, with the president of Vencap regarding Vencap's lack of activity and his plans for this huge pool? Have you called them in and had a talk?

MR. GETTY: Mr. Speaker, the matter of Vencap is one within the responsibility of our Minister of Economic Development and Trade.

MR. TAYLOR: The silence is deafening, Mr. Speaker. I don't blame him; I'd hide too.

Mr. Speaker, can the Premier explain then that while Alberta has 145,000 unemployed, he's content to have Vencap just sit there with such a large amount of money?

MR. SHABEN: Mr. Speaker, when Vencap was established and the legislation debated in the Legislative Assembly, the importance of the availability of venture capital was recognized by members of the Assembly and the people of the province, and in fact many Albertans subscribed and purchased shares in that company. Some 44,000 Albertans purchased shares in that company. The expectations of the government, bearing in mind that the company is arm's length from the government, were that about \$25 million per year would be invested by way of venture capital investments. I believe the company has now reached some \$75 million in venture investments and it is somewhat short of the target that the government had expected in terms of the level of investment. However, in the early years

there was some experience to be gained by the board of directors and by the management. In addition, Vencap has invested in SPURT 1, a venture capital company that specializes in high-risk, high-tech ventures, and a number of investments have been made through that fund in which the government has an interest.

In response to the earlier question: yes, I have met with the president of the board with respect to Vencap.

MR. TAYLOR: Mr. Speaker, a final supplementary to the Premier and, failing that, the minister.

Would you not consider then having a talking with the Vencap boys and suggesting the \$200 million they have sitting there now -- liquid securities -- could be put to work diversifying this province and creating jobs? Would you consider that?

MR. SHABEN: Mr. Speaker, in the discussions that I've had with the chairman of the board, the views of the Alberta government with respect to the importance of diversification have been clearly expressed through him to the board and will continue to be expressed. We will not, however, become directly involved as a government in individual decisions with respect to investments that might be made by the board.

DR. BUCK: A supplementary question to the minister of economic development. In looking at what Vencap has been doing, does the minister have any indication that this Vencap fund, this pool of money, has done anything to help small business in this province?

MR. SHABEN: Mr. Speaker, when Vencap was established, and its focus and direction were established by the Legislature, it was clear that the focus would be on larger projects, generally above \$500,000 and principally in the area of \$1 million and up. Alberta Opportunity Company had focused its attention on the smaller projects, and as a result of the decision by the government and the policy recommendations that were contained in the throne speech, we have expanded the role of the Alberta Opportunity Company to include venture financing and creative financing to establish greater opportunities for access to venture capital by small companies.

In addition, we recognized that there was the need for smaller pools of venture capital funds and we established the SBEC corporations, which created a pool of some \$180 million of venture capital financing in private hands, which is creating hundreds of jobs in Alberta as a result of venture capital formation.

MR. SPEAKER: Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. My question is to Mr. Shaben, the Minister of Economic Development and Trade. In view of the fact that hardly any of the \$200 million given to Vencap is being used, why doesn't the government take back \$150 million of that \$200 million and embark on some real, serious diversification projects?

MR. SHABEN: Mr. Speaker, I don't know what the hon. member considers serious diversification projects. Is not Millar Western a serious diversification project, supported directly by the government? Is not the expansion at Hinton a serious diversification project? Is not the ethylene project a serious diversification project? The government is actively involved in sup-

porting serious economic diversification in addition to what is being done through Vencap.

MR. SPEAKER: Member for Clover Bar, followed by the Member for Calgary North Hill.

Fiscal Policies

DR. BUCK: Mr. Speaker, I want to know, on some of the musings that took place last weekend in this history event down in Calgary, to the Provincial Treasurer or the Premier: is the government seriously considering looking at a means of raising money -- raising money through the Alberta savings bonds the same as we have through the Canada savings bonds? Is the government seriously considering this approach? [interjection]

MR. JOHNSTON: One of my colleagues from behind me, Mr. Speaker, reminded us that the concept of funny money has long passed. We are in fact, Mr. Speaker, subject to listening to the debates of Resolution 227 brought forward by my colleague the Member for Ponoka-Rimbey. We'll consider in fact raising money within the Alberta market, and one of the vehicles suggested is something called an Alberta savings bond, an Alberta participation bond.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. There are a lot of people out there who wish that the government that was in charge when the funny money was around was still in here. [interjections] Mr. Speaker, you're impartial.

Mr. Speaker, in looking at other means of raising funds, is the government giving any consideration to selling the Treasury Branches directly to Albertans so that we could operate the Treasury Branches as an A-type bank which has less restriction than the B-type it is now?

MR. JOHNSTON: Mr. Speaker, talk about vestigials. I guess the Treasury Branches in fact did rise during the movement which found support by the Social Credit Party at that time, and I think there is a significant strength in keeping the Treasury Branches as they are now. I know that the demand for services from the Treasury Branches is growing every day, and it's even very difficult for us to match the increase in new business that's taking place, primarily because it is a strong part of the financial sector providing loans and mortgages to all Albertans.

Recognizing as well, Mr. Speaker, as I'm sure the member does, that there is a constitutional problem with respect to whether or not this could become a bank -- and of course the way in which it now operates, I think we would like probably to work with the current precedent which is now found in the Supreme Court of Canada in three different cases that recognizes that in fact there is a jurisdiction provincially that allows us to operate the Treasury Branches as they now are.

As to privatization, Mr. Speaker, I think those are some of the problems we would have to look at. Whether or not in fact the Treasury Branches as they now operate, in a very responsive way to the needs of Albertans, and considering as well the constitutional question, I would probably defer any consideration of privatizing or reforming or restructuring of the Treasury Branches at this point.

DR. BUCK: Mr. Speaker, a supplementary question to the Treasurer. In light of the fact that there are some economic difficulties out there -- I think even the people who were slapping

each other's backs in Calgary last weekend recognize that -- has the Provincial Treasurer or the government given any consideration to liquidating, let's say, \$5 billion and putting it into the Treasury Branches so that small business could make use of some of that money?

MR. JOHNSTON: Well, Mr. Speaker, contrary to the member's views, it is not a problem of raising money. I mean, the Treasury Branches are in a very liquid form right now. They have an abundant amount of deposits, so it isn't a question of providing them with more money to operate on. It's a question of allowing them to deal with the demand on their time and services and personnel, in particular. But I realize that there may well be some consideration for restructuring the [Treasury Branches], providing us perhaps more equity, as has been a problem with other government-run agencies. But it's not a question of liquidity at all, Mr. Speaker. There is an abundant number of deposits, larger number of deposit growth in the last three years than any other financial institution in Canada. And while I know that it is in fact now one of the largest financial institutions in Canada, ranking I think 20th -- so it's not a question of deposits at all, Mr. Speaker.

MR. SPEAKER: Final supplementary, Member for Clover Bar? Member for Westlock-Sturgeon.

MR. TAYLOR: Mr. Speaker, a supplementary. I don't know how much the Treasury Branches will have left, Mr. Speaker, if they do a couple more North West Trust deals. Nevertheless, in investigating and looking into this idea of selling savings bonds to Albertans, have you thought at all about employing the local office of Dominion Securities to study the market?

MR. JOHNSTON: Mr. Speaker, there was a two-part question here. But since it's early in the week and I'm so generous after having such a great weekend in Calgary and receiving new ideas and new inputs -- because it was there that the new changes in our society and the future look of Alberta will be determined, not from people like that across the way -- then I'll simply sit down and take it as record and consider the source.

MR. STEWART: Mr. Speaker, my question to the Provincial Treasurer is a follow-up on a subject already raised. It's in view of the recent statements made by the Provincial Treasurer concerning this business of a possible Alberta savings bond and the Provincial Treasurer's apparent interest in that concept. I would like to ask the Provincial Treasurer why this particular concept is being considered, in light of the current situation of Alberta being favourably received in the capital markets.

MR. JOHNSTON: First of all, Mr. Speaker, when we did enter the bond market in both Canada and the United States, several Albertans -- in fact, a considerable number of Albertans -- wrote to me asking if they could participate in the borrowing program because they had a great deal of faith in the future of Alberta and wanted to be part of the financing of the growth of this province, particularly those institutions such as universities and hospitals, which will in fact be funded through the Capital Fund provisions. Therefore, subject to advice from many Albertans, one of the considerations was in response to their needs.

Secondly, Mr. Speaker, I think that in considering where the interest goes from the debt, from the borrowings, as well it would be appropriate if the interest flowed back to Albertans so

they could generate some reasonable amount of return on their investment, have security in their investment, and have a sense of pride in participation in assisting the province over this difficult period. I should note that we would anticipate -- again, subject to the resolution of the Member for Ponoka-Rimbey -- that we would use this money to finance hospitals and universities through the special Capital Fund that we established by this Legislature early in 1986.

So that's the general notion, Mr. Speaker. They would be fully redeemable, probably once or twice a year, they would be preferred in terms of interest rate, they would always have a par value equal to 100 percent of the bond value, and they would obviously be a sense of investment in the future of this province, which I think is important.

MR. STEWART: A supplementary, Mr. Speaker, to the Provincial Treasurer. To what extent would the government be required to provide sufficient investment incentives in order to induce the investing public of Alberta to invest in the Alberta savings bonds as opposed, perhaps, to any other investment opportunities?

MR. JOHNSTON: What would happen, I think, as I contemplate it now -- subject, again, to a wide discussion among caucus members -- would be that we would ensure that the par value of the bond was always secure, similar to Canada savings bonds, where you can redeem those bonds at par. We would suggest that that would be a reasonable preference or a reasonable incentive to invest in those bonds. Moreover, I would imagine they could be redeemed at regular periods throughout the year, as opposed to redemption on maturity. Those would be two of the ideas, Mr. Speaker.

MR. STEWART: A supplementary, Mr. Speaker, to the Provincial Treasurer again. By encouraging investment by Albertans in these bonds, would there be any adverse impact upon the availability of investment capital for the equity side of the market in Alberta?

MR. JOHNSTON: I think not, Mr. Speaker.

MR. SPEAKER: Hon. minister, are we in the midst of a ministerial statement, almost, in this discussion? But the Chair looks forward to the question.

MR. JOHNSTON: Gosh no, Mr. Speaker. I'm just providing advice to the people of Alberta. I appreciate the member raising it just after the Member for Westlock-Sturgeon raised it.

Mr. Speaker, let me say that I think there is a considerable amount of liquidity right now in all financial institutions across the province, I don't anticipate that the volume of money which we would consider taking out of the Alberta economy for the Capital Fund would at all detract from the availability of funds for the private sector for needed investment purposes.

MR. SPEAKER: Supplementary, Member for Calgary Buffalo.

MR. CHUMIR: Yes. To the minister. I thought I heard the minister say that the reason they're issuing the bonds is that a lot of people seem to want to invest. That's fine from the point of view of the investor, but what's at stake for the province of Alberta? Are there savings? Are there economic savings in it for the province, or is it just that we're looking at the interests of

other individuals?

MR. JOHNSTON: I'm trying to sort out what the member raised, Mr. Speaker. I think I have the essence of it. We would consider it to be marginally attractive for us to invest in it, for the people of Alberta to invest in these bonds. There would be, of course, perhaps a touch more administration involved because there would be a different redemption pattern. But I think many Albertans sense a pride in the future of this province and would like an opportunity to express that, and I think this is one opportunity where they could stand up for Alberta.

MR. SPEAKER: Member for Vegreville, followed by the Member for Edmonton Gold Bar.

Prairie Agricultural Machinery Institute

MR. FOX: Thank you, Mr. Speaker. A question for the Minister of Agriculture. Since 1974 the Manitoba, Saskatchewan, and Alberta governments have jointly funded the Prairie Agricultural Machinery Institute. This institute provides a very valuable service to farmers and implement manufacturers across the prairies by testing farm machinery under practical conditions and publishing the results. Although the New Democrat government in Manitoba has committed further funding to the institute, there seems to be a dispute between the Alberta and Saskatchewan governments that threatens the existence of the institute. I'm just wondering if the minister would outline for us the nature of the dispute, such that would cause the program to be in jeopardy in the future.

MR. ELZINGA: Mr. Speaker, to my knowledge there is no dispute. We've indicated that we're going to re-examine our participation in PAMI because we feel we can do the work within our own department.

MR. FOX: Mr. Speaker, surely the minister recognizes that the program was established to avoid unnecessary and costly duplication of services in the three provinces. Is the minister saying then that he's not committed to further funding for the Prairie Agricultural Machinery Institute?

MR. ELZINGA: I'm indicating, Mr. Speaker, that we feel we can carry on this excellent work within our own department.

MR. FOX: Supplementary to the Minister of Agriculture. Do we then have his assurance that if with lack of funding the Agricultural Machinery Institute ceases to function in the future, the expertise that's been developed will not be lost; it will all be used in some other way through the department providing this kind of research?

MR. ELZINGA: Mr. Speaker, we found somewhat just the opposite of what the hon. member has relayed to the House, that there was a duplication of services by working in three provinces in conjunction. We feel that we can do the work. We've indicated that we wish to continue offering that service to the agricultural community, but we're going to do so by ourselves. It was part of an analysis that we did when we went through our budgetary reduction methods, but we feel very strongly that we can continue with the services that are offered presently through PAMI through our own department.

MR. FOX: Can the minister then indicate for members of the Assembly what will happen with the facilities, equipment, and personnel presently employed by PAMI in Alberta?

MR. ELZINGA: Mr. Speaker, we do hope to take advantage of the Lethbridge station, which presently is functioning in Alberta. In the event that the hon. member wishes more detailed information, we're more than happy to forward it to him.

MR. SPEAKER: Member for Westlock-Sturgeon, supplementary question.

MR. TAYLOR: Supplementary, Mr. Minister. Just looking at his estimates and in view of the fact also that the Minister of Technology, Research and Telecommunications has cut agricultural research at the Alberta Research Council and now this is cut, just where is the minister going to get the money? Where has he got it hidden?

MR. ELZINGA: I'm sorry, Mr. Speaker, I can't make any reason out of the hon. member's question. If he'd like to repute it, I'm more than happy to do my level best to address it.

MR. SPEAKER: No, the Chair won't recognize the rephrasing. [interjection] Let's see if you can do it in a very succinct way. We look forward with great anticipation.

MR. TAYLOR: Where is the minister going to get the money for any agricultural research? He's dropped out of this scheme. He's let the minister sitting next to him cut him in the Research Council. Where is going to get the money to do any agricultural research?

MR. ELZINGA: Mr. Speaker, I'm totally surprised at the hon. member, because if he would review our estimates, he would find that we're spending close to \$20 million on agricultural research within this province, \$5 million per year for the next five years under Farming for the Future. We've got a research division. We hope to establish an agricultural research institute, which legislation is before this House. We have maintained our commitment for agricultural research, and the estimates show that.

MR. SPEAKER: Any other supplementaries on this issue? Member for Edmonton Gold Bar, followed by the Member for St. Albert if there is time.

Social Allowance — Single Employables

MRS. HEWES: Thank you, Mr. Speaker. My question is to the Minister of Social Services. Operation Friendship, an agency with 18 years experience working with poor elderly and with a strong program focused on housing, has communicated its intention to withdraw from the provincial action plan for the International Year of Shelter for the Homeless unless the shelter allowances to single employables are reinstated. I'd remind members that this is the organization and project so proudly spoken of by the government in the throne speech. Operation Friendship states that a 38 percent decrease in shelter allowance for single employables will adversely affect over 7,700 persons in Edmonton alone. Will the minister tell the House what her response is to this respected agency that has so clearly been driven to take dire action by the government's intolerable moves

against the poor?

MRS. OSTERMAN: Mr. Speaker, the organization about which the hon. member speaks -- their correspondence was just brought to my attention earlier this afternoon. But I would say that notwithstanding their great concern for the single employables, which are the group we are speaking about who do not fit within the parameters of the housing concerns that certainly would be raised within this country, those people will possibly be changing their accommodation, but it would not be my sense that the type of housing concerns that are normally raised for the homeless would at all apply to the circumstances under which the single employables would find themselves.

MRS. HEWES: Mr. Speaker, it seems important that we recognize that Operation Friendship is an inner city agency that serves many groups of people, and they are deeply concerned about the employable single. When discussing the International Year of Shelter for the Homeless with Operation Friendship, did the government not commit itself at that point to finding solutions to homelessness, as the organization reminds the minister, rather than creating homelessness?

MRS. OSTERMAN: Mr. Speaker, the shelter allowance rates, which will now be applicable to single employables as of April 1, and for those that have already been on, as of June 1, in no way will cause homelessness. Now, if the hon. member is saying that it is not within the realm of possibility to consider that those people will share accommodation, then true, the hon. member would have a point. But it is not my view that in today's society it is a great deal of hardship to ask those people to share accommodation, nor is it the responsibility of the government to consider that in every district of every city there will be accommodation available. Edmonton is a very large city, and accommodation is available in a number of places.

MRS. HEWES: Mr. Speaker, there are only five places available in the inner city, and I think they have cheaper housing than most parts.

Mr. Speaker, Operation Friendship in their communiqué to the minister say that these cutbacks intentionally manipulate a targeted segment of the population to submit themselves to a government initiative. Will the minister now admit, in light of what groups such as Operation Friendship are realizing, that the cutbacks will force those affected into the work-for-welfare program and that this was the intent all along, a way of getting around the Canada Assistance Plan restrictions?

MRS. OSTERMAN: Mr. Speaker, that certainly is not the intent of the cutback in the amount of shelter allowance to single employables. I think the hon. member certainly does understand the growth of the social allowance program and the needs of many people in our society. I think the hon. member also knows that there are many people in our society that have a great deal more pressing need that has to be the responsibility of this government to meet, and in fact we're meeting those needs.

MRS. HEWES: Mr. Speaker, I'd remind us that shelter allowance has been reduced since 1983 from \$375 a month to \$180 this year. Will the minister now hold off on these measures and consult the groups throughout the province, groups that should have been consulted before any action was even contemplated in this regard?

MRS. OSTERMAN: Mr. Speaker, let me say once again that nobody in this Legislature would minimize the accommodation that has to be made by the single employables in terms of the amount of shelter allowance that's available to them. May I also remind the hon. member that the amount she speaks of is an amount that is short term -- and that is a component of the room and board -- and that the amount of food allowance is \$146 a month. In the long term, that period after three months, single employables will have half the amount that a couple is allowed for shelter allowance. And I would also remind the hon. member that many people -- and they're communicating with me; they are also communicating publicly -- are managing very well with that allowance. I would invite the hon. member to contact some of those people.

MR. SPEAKER: Supplementary question, Member for Edmonton Highlands.

MS BARRETT: Thank you, Mr. Speaker. I think the minister will acknowledge that even at twice -- that is, two of those shelter allowances still doesn't come to the average cost of a two-bedroom apartment in town. In light of that and in light of the fact that the rush is on in the inner city to fill up those cheap rooming house rooms, will the minister commit herself to drawing up plans with the minister responsible for housing for Alberta to now renovate housing in the inner city, to provide the necessary social housing under the circumstance of the cuts?

MRS. OSTERMAN: Mr. Speaker, I would say once again that it would not be the intent of government to look to specific geographic areas within a city to make sure that housing is available. Certainly when people come to any geographic area to seek accommodation, they seek accommodation where it is available. And I would respectfully ask the hon. member to first of all advise the people that come to her, as with any other MLA, to look at the bulletin boards that are now posted in the district offices and invite them to seek other people out who will also be looking for shared accommodation.

MR. SPEAKER: The time for question period has expired. Might we have unanimous consent of the House to finish the series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Member for Red Deer North.

MR. DAY: Supplementary to the minister, Mr. Speaker. In light of the fact that local newspapers are advertising rooms for as low as \$180 a month and specifically welcoming requests from welfare recipients, is the minister's department able to access that information directly and make it available to those seeking accommodation?

MRS. OSTERMAN: Mr. Speaker, for the hon. member's information, I am not sure whether or not the individual district offices are posting the ads that are presently contained in the various newspapers, but it's certainly an idea that I will undertake to look at.

MR. SPEAKER: The time for question period has expired.

MR. SPEAKER: Last Friday morning there was a somewhat vigorous exchange between the Member for Westlock-Sturgeon and the Chair. Subsequent to that, in a meeting in the members' lounge, the Member for Westlock-Sturgeon advised the Chair that the words "sit down" had been directed at the Member for Edmonton Meadowlark. Therefore, the Chair appreciates the clarification by the leader of the Liberal Party. [interjections]

ORDERS OF THE DAY

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. SPEAKER: Order please.

MSLAING: Mr. Speaker, I rise to introduce to you and through you to the members of this Assembly, three courageous and committed students from Montreal who are touring Canada to promote international disarmament and peace. They are Desiree McGraw, Alison Carpenter, Maxine Faille. They are accompanied by Bill and Rhyll Stollery and Patti Hartnagel from Project Ploughshares. I would ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker. I'd like to introduce to you and members of the Assembly some 20 students from Grant MacEwan college. They're working on career development. They are with their teacher, Donna-Mae Winquist. They are seated in the public gallery. I ask them to stand and receive the warm welcome of the Assembly.

head: COMMITTEE OF SUPPLY

[Mr. Musgreave in the Chair]

MR. DEPUTY CHAIRMAN: The committee will come to order, please. The hon. minister would like to make some opening comments. Mr. Minister.

Department of Tourism

MR. FJORBOTTEN: Thank you, Mr. Chairman. I'd like to take a few comments today about the Department of Tourism, which I think everyone recognizes as basically a good news department and tourism itself being a good news industry. I want to make a few comments today about where we're headed.

Members will recall in my last budget presentation that I laid out an overview of the Department of Tourism as a stand-alone department with a new minister. I spoke of the solid foundation that had been established under the previous ministers of Tourism, the Hon. Boomer Adair as well as Horst Schmid, and of gains that the department had made over the course of the short time that I was minister and of tourism as a growing, dynamic third leg of the Alberta economy and holding tremendous promise for the future. I set forth at that time my priorities and the commitment of my office and the department to bolster other than replace the private-sector initiatives upon which the industry's current strength and future success clearly depend.

Today I'm pleased to report some real progress and growth, and the tourism industry remains very strong. Statistical indicators for 1986 show that projections are on target: United

States and overseas visitor growth of up to 15 and 12 percent respectively. In overall visitor growth the market is up 5 percent and on target to confirm the 1986 tourism revenues of \$2.3 billion, in round figures, and that represents almost an 8 percent increase over 1985. By early summer we'll receive confirmation of all of those figures, and past 1987 we foresee a steady, rising curve of growth through the 1988 Olympics and then beyond.

Growth is really a good thing to hear, and it's one of Tourism's hallmarks. I think if we look at the past, since the early 1970s tourism revenues in Alberta have nearly quadrupled, and they provide full-time, part-time, and seasonal employment for up to 100,000 Albertans. And that represents about 7 percent of the work force of Alberta. For every \$1.5 million in tourism revenues, 50 jobs are created, and tourism means day-to-day business for at least 5,400 Alberta companies. So if we look at tourism up to the year 2000, I think it's being realistic to project that tourism can grow from \$2.3 billion to a \$10 billion industry. It should have a full-time, part-time, and seasonal work force of about 220,000 people by the year 2000, and that's nearly double the present unemployed population of Alberta, the unemployed in Alberta.

So the figures will show that the growth of tourism to a strong, diversified economy certainly is going to be important. If it's correct what the experts say, that by the year 2000 tourism will be the number one economic activity in the world, that means that we're going to have very severe competition -- in fact, I think cutthroat competition -- throughout the world to try and capture a share of that market. We have to look at what we have. Have we got what it takes to compete in that atmosphere? I think we have. We have excellent people, we have an excellent private/public-sector co-operation, we have the resources, and we have a wealth of natural and cultural attractions throughout the province. I think we are particularly fortunate to be hosting the Olympics, because that will give us a window of opportunity on the world; it will also give us leverage. With the fierce competition -- and some, as I said, would even call it cutthroat -- we have to look at what some of the others are doing as we look at the window of opportunity that we have.

Hawaii, for example, is investing \$6 million in tourism research. Now, you would think: why would Hawaii have to do that with the amount of traffic they now have? Why would they want to do that? Because they recognize that the competition is going to be stiffer and they're going to have to position themselves to make sure that they can maintain what they have at the moment and have the growth that will there in the future.

I think that in the real world of upscale marketing only the smart are going to survive or prevail through it. In tourism there is a direction, and I think many, not all but many, in the industry have done their homework. I've been trying to do mine, to try and look at what can we do as a department to position ourselves. Well, we're very fortunate, we've hired a new deputy minister, Bernie Campbell, who comes with 20 years experience in the tourism industry. He's a veteran, and I think that will mean good things for a strong department to build for the future.

We've been looking at our market share in the global context, and as a department we've been looking at trends and policies and approaches and possibilities, trying to make sure that we don't miss anything, because we need action now. We're accepting some new challenges and we have to rethink some of our strategies.

Now, I won't comment in opening remarks about comments that I made outside of the House about a parks policy and the

restrictive policies that we have. We have to rethink them. There shouldn't be anything that should be that sacred that we should not be prepared to look at new approaches and take a market-driven approach to business. We have to be bold and imaginative in improving our product and creating an awareness of Alberta, and we have to get educational programs in place. In my view, one of the first things that we have to do is make sure we have a good work force. The people will go into the industry because it's a great career opportunity, not something that is just for them to do while they're going to university taking something else. There has to be a career path that is there, so the wages and everything would attract young people and excellence of service and want to get involved in that.

The Provincial Treasurer stated in the Budget Address that the events of the past year have tested the will and determination of the people of Alberta and their government. Alberta's primary economic sectors are embattled and the challenge of the government has been to apply prudent and thoughtful fiscal measures that will aggressively defeat a widening and counterproductive deficit. That's something that we have to rethink, and I think Albertans share the view that there have to be tough measures taken to achieve that goal, but we can do some exciting things in our budget process that signal true leadership and courage. And through these difficult times, with the budget of Alberta, with the renewed growth and the economic diversification, I think it's not only probable; I think it's certain, if we take the right steps now.

I'd like to talk just a couple of moments about my budget overview. I've tried to take a very thoughtful approach to the reductions in our major divisions. We've achieved an overall reduction of \$4.1 million, or 10.5 percent, over 1986-87. The largest reduction that there is is about \$3 million, and that applies to the Canada/Alberta tourism agreement. The program is not going to be cut. It's a \$56.3 million program, and that will remain. However, there's a reduction in the cash flow that's needed this year, so the reduction, accurately I believe, reflects the demand that there will be on the program for the needs for '87-88. And I remain committed to the joint initiative with the federal government. It's a landmark. It's one that's a shining example to others. And I feel that probably what could be done with this agreement is it might be extended a couple of years, that even if the dollars aren't needed right now, we can work an agreement with the federal government to extend it, not trying to cut down on what we approved, but the demand that's there I think will mean that we can extend it a little while longer and utilize the same amount of dollars.

The development division subvote into market development and development services. Here we identified a reduced requirement for about \$347,000 in funds allocated to the downtown festival markets in Calgary and Edmonton. And that's a matter again of cash flow management, because in 1987-88, rather than actual cutbacks of \$2 million we've earmarked for each city, we have breathing space to operate because Edmonton isn't quite ready to move the full distance in developing their festival marketplace, so we can work our cash flow through the period of this fiscal year and maintain the commitment we have for that program.

Under the marketing division subvote, we've achieved an actual reduction of \$200,000 in programming where we've gone into co-operative advertising efforts with the industry, and through the Canada/Alberta tourism agreement, that essentially covers all of the bases that we would otherwise have had to handle on our own. So we're not going to be reducing anything, but

through co-operative programs we're able to do the same thing and save about \$200,000.

As well, through the closure of six travel information centres we're going to save about \$180,000, and from a business standpoint it doesn't make sense to keep some of them open with the high costs for each visitor. Cost per party at those centres ranges from \$8 to \$9 per person that walks in the door, which is more than double the per-party average of all the travel information centres. And where we're closing each one in areas that are affected, we're going to assist the community with alternatives, if they wish to keep it open. I think that's something that's only a reasonable action to take, because the travel information centres at major points of entry are the ones that are of major concern. Maybe I could highlight the one in Banff. The reason that one was closed is that most of the inquiries were for the town of Banff. It wasn't for the province as a whole and could be covered very well by the Canmore information centre which gives a far greater scope for the province of Alberta.

One that I know that will be supported by the opposition is a reduction of 17.4 percent, or \$56,000, in my own office budget. That's one that I think is a principle: that if we're asking for trimming in different things, there's no better place than a trim in the minister's budget. We'll try and make do with less. I think that highlights some of the principal reductions that we have.

I'd like to talk just a little bit about what we're doing on the marketing side because of the window of opportunity we have with the Olympics. We see ourselves really as a backup partner to the Olympic committee, as well as private-sector partners and we're a full participant in the Olympic tourism communication committees. We're building on our advertising nationally and internationally through what's called -- I haven't been drinking anything; it's called "ic." We're using dynamic visuals in Alberta with headline variations such as "fantastic," "exotic," "Olympic", and a wide variety of others, which I think will help us to build on that opportunity that we have with the Olympics being here. We're also doing some special promotions with the consumer and travel trade and receptions and presentations with Hidy and Howdy, and integration of the Olympic logo on some of our promotional material. So we're very active working with them not only in that area but in publications, posters, and films.

There is a wide variety of other areas that I could maybe touch on, but one of the areas I'd like to mention is we have to use some innovative marketing. You know, it's always easy to say, "Run another ad," but I was told when I was in California that Californians are hit with about 2,500 ads a day. That's from the time the radio comes on in the morning, they pick up their newspaper, and they're driving to work and see the billboards. What is going to make your ad stand out among all the others? I asked, "What are we hit with here?" and the best estimate anyone could give me is about 1,500 ads a day. Well, what's going to make yours stick out among all the others? I looked at what the cost of advertising is, and if you look at some of the major daily papers in the United States, it can run \$40,000, \$50,000, \$60,000, or \$70,000 a page. Through the celebrity ski event -- and members will note that I wasn't all that visible in anything that was out there, because it wasn't a political event; it was something to promote Alberta. And it wasn't really for Albertans; it was to use as a vehicle in the United States and our European markets to say: if it's good enough for Brooke Shields and others to come here and ski, it has to be good enough for all of them.

We ended up with six and a half minutes two mornings run-

ning on *Good Morning America* free. I think we got around 15 minutes' prime time in Tokyo, and that was all free. We got on *Entertainment Tonight*, *Good Morning America*, and *The Journal* for under \$70,000 cost to Alberta, the Alberta taxpayer. You might be interested to note that we never paid the stars a nickel to come here; we never bought their tickets or anything. That was covered by sponsors or the stars donated their time.

I think what we did leveraged what would be the cost of a one-page ad that may or may not have gotten read in one section of the United States into something that was publicized all over the world, to try and show them that it's a fantastic place in Alberta; we have a lot to offer; please come here and spend a little time with us.

I might as well take on the Nakiska critics while I'm being a bit flaky about it, I suppose. Many have praised the mountain. [interjections] Well, that's okay. You can't win them all. Some have said there's no snow there. I skied there, and I thought it was very good. But the Fédération Internationale de Ski, the Olympic family, as well as seasoned and beginning recreational skiers have given high grades. As well, Peter Mueller, the reigning World Cup downhill champion, has praised it also. I'm confident that Mount Allan is going to weather the storm, and hopefully, with any breaks at all next year -- most places in the United States, when I was talking to different skiers, said that they weren't even able to open because they didn't have any snow. So it certainly wasn't something that was isolated to here alone.

I'll make a couple of points about the Take an Alberta Break ads. You might find it interesting to note that we are in a deficit position in Alberta as far as tourism revenues. We went from a surplus position of about \$20 million down to a \$450 million deficit. More Albertans travel outside than come in. Many of them are going to B.C., Montana, and other places to holiday and haven't really holidayed in Alberta. How many people from northern Alberta know anything about southern Alberta? How many from the south have ever traveled to the north and know all the activities there? Through the Take an Alberta Break program there are ones that I think are exciting and encourage Albertans to travel here. And you'll be pleased to know it's working, because the people that took trips in Alberta that hadn't planned to or stayed longer than they intended to were a direct result of what they had done in the Take an Alberta Break ads.

One thing we haven't come a long way on yet in trying to capitalize on is that we don't have a seaport at Banff. If you look at people who are traveling to Alberta, one of the problems we have is cost. We checked with a New York travel agency on how much it would cost to go to the Tetons from there or how much it would cost to come to Calgary. It costs more to go to Calgary. That's because we're captive to airlines. I don't know. I traveled from Phoenix to Los Angeles. It cost \$35. It cost me \$53 to get back to Phoenix. I think it's uphill going back. I look at what the costs are between Edmonton and Calgary, and it was an hour and 5 minute flight from Phoenix to Los Angeles. Hopefully there'll be some more competition, and we'll get the prices down to where they should be.

Skiing: people can go right to Aspen and get there very easily on a commuter airline. Here they land and have to take a bus. We've got some disadvantages, but we have to try and turn those into advantages and get Albertans doing more here, as well as making it a more favourable location for those from outside the country to come and visit.

I was going to make a few comments about our joining with

Air Canada and also on co-operative advertising on winter destinations. We're working with Air Canada in April, I guess, and we're also joining hands across the border with Montana and Waterton and Glacier national parks on a joint co-operative advertising promotion. There are many others we're working on. So far they've been a success, because we've had 15,000 inquiries so far, which indicates we're well above target on inquiries received. So I think the advertising we're doing in that area is paying off dividends in people that are actually phoning and inquiring about what is going on.

We're very active in trade shows and working in those areas to try and make sure that our inquiries are up, and through our planning so far, I think it's working. We've hired Meeting Link, based in Washington, D.C. Meeting Link is run by a guy that I think was born and raised in Lacombe, so he's certainly aware of Alberta. Their company's challenge was to bring Meeting's market potential of the northeastern United States, where most of the international locations are for those companies, and bring them here. And I'm pleased to report that the company has had a direct influence on a number of new conferences that will bring some economic return to Alberta. There are some additional prospects that they advise me -- about a half a dozen of them -- should bring a return of about \$2 million through 1990, the other ones that they're working on.

One of the difficulties with the convention business: it takes up to seven years, because a lot of those companies book that far in advance or make arrangements that far in advance, so trying to get a quick return is sometimes very difficult. But there's \$153 million in tourism revenues in the province that are directly related to convention trade shows. I have to thank in that process also the Edmonton Convention and Tourism Authority, the Calgary tourism and convention bureau, and the Edmonton and Calgary convention centres, not to mention many of the other partners across the province in the working and joint co-operation to achieve that.

I'd like to say that we're going to continue to be tourism partners with TIAALTA through such worthwhile efforts as the Travel Alberta assistance program, the senior citizens' tourism employment program, the Canada/Alberta tourism agreement, the Take an Alberta Break campaign, and many other indirect ones that are worked through bolstering community-based initiatives.

I hope later on this week to announce the Alberta tourism education council. I've been working with the industry and trying to put together and make sure that we've got the proper people on there to get that under way. I want to make it very clear that I don't intend ever to see the Department of Tourism with bricks and mortar as far as a tourism training centre of sorts. I think on this it's really important to work with Advanced Education. We have community colleges and universities, et cetera, all across this province, and by working with them, we're not going to duplicate efforts or create another realm of bureaucracy. I think that the postsecondary educational community is very excited about taking this on, and that's certainly the right way, I believe, to do it.

I made some comments earlier about the festival marketplace, the \$4 million to the downtown festival marketplaces in Calgary and Edmonton. That commitment, I want you to know, stands in full, and between now and 1990 we'll be issuing a balance of about \$800,000 to the city of Calgary and the full allotment of \$2 million to the city of Edmonton. And without any editorial comment really on that, I have to say that I'm really excited. I think that's going to be

good for those centres, and I'm looking also at ways to help rural communities. It's fine to have everything in Calgary and Edmonton, but there are many rural communities that I think we have to do some exciting new things in. I intend to bring those forward in the course of the next three-month period, hopefully ones that will do some exciting things for small-town Alberta.

I had a wide variety of other comments I was going to make, but I think I'll leave it there and wait for questions, Mr. Chairman, from the hon. members. I'll be happy to respond to any that are raised.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton Belmont.

MR. SIGURDSON: Well, thank you very much, Mr. Chairman. I want to say that I'm pleased to be able to participate somewhat in the debate today. I see that the Department of Tourism is one of the growing industries in our province and one that we've got to carefully nourish, and I think that for the most part the government is going in a direction that will support that nourishment.

I see a number of positive areas over the past year, and I do want to start off my comments by noting some of the more positive aspects of the department. Right in the very budget, the summary of manpower authorization, I want to congratulate the minister for maintaining the permanent full-time positions at 115. I note that in many of the departments there were a number of cutbacks, and I think that in this particular department the concern that's been expressed by maintaining the 115 positions is very important. I don't want to be petty, but I wonder that the full-time equivalent positions have decreased, albeit minimally. They've decreased by 2.9, and I'm somewhat curious how we'd get a decrease of 2.9. I wonder if they're from the front line of the service industry or if they're from management within the department. But anyhow, that's one positive area.

The minister mentioned the celebrity ski event that took place in December, and again I want to congratulate the minister for his participation in that. The international attention that was drawn to our province was superb. You more or less answered the questions that I had, because I was going to ask how many people attended, what the costs were from the celebrities, if there were in fact any, and what media attended. But you've more or less answered those.

Another area that I think is very, very positive is the little publication that the department has come out with. The *Alberta Tourism Pulse* is really a very helpful information packet for people who are operating in the industry. The statistics that are provided are good. They help people that are involved in the industry plan for seasonal attractions. For people that are involved in the hotel industry, it's showing the occupancy rate and the daily average room rate. That's very positive, and it helps those in the industry maintain a sense of competitiveness so that they, too, can plan for that.

I'm curious though. I know that at the bottom it says that for further information, et cetera, you're supposed to contact . . . But I'm wondering initially how we got the information out. Did we send it out to people listed with the department now that we've had communication with? I think that a few people I've spoken with in the industry -- they're involved in the travel agencies -- have not received the publications, and I don't know why. I don't know just how we got the *Pulse* magazine out to people, so perhaps we can find out how that got started.

I have a number of specifics that I want to have the minister

address in his response. They go into some detail, so perhaps we can just start off. The minister did note that in his office the expenditures are down 17.4 percent, and for that I congratulate him for taking a leading role. It's still an amount somewhat higher than the '85-86 actual budget, and I'm curious to know: are we still buying equipment for the office to try and maintain or get at that competitive edge? Are we buying computers? Are we buying some kind of analysis systems to help get that edge in the marketplace?

The other areas in 1.1.2 and 1.1.3. There's hardly any drop in the deputy minister's office and the assistant deputy minister's -- about \$12,000, I believe, in total. I guess maybe that's paper clip money or something. But I wonder if that isn't made up for in vote 1.1.4, which is the administration division, because while there's only an increase of some 1.6 percent, there is in fact a dollar increase of about \$40,000. So with an overall cut in the department, I'm curious to know why we do have an increase in the cost of administration.

In the development division I think we require a little more of an explanation. The 2.5 percent cut in the administration is understandable. It's not a major dollar amount; it's about \$5,000. Obviously a cut in supplies, I would imagine.

But in vote 1.2.2 we have over \$100,000 being cut from market development. This area includes research programs, industry analysis and evaluation. And I wonder, at a time when we're trying to develop the hospitality industry, is this a prudent cut? The analysis is so very important and so, too, is the evaluation. Last year I asked if the amount expended was necessary, but seeing what has come out of the department division, I wonder this year if the cuts are particularly wise.

In development services, again what I would consider to be a rather substantial cut, about \$350,000. I wonder again if perhaps because the Olympics has been a little more developed than where we were at this time last year, that cut is due to cutbacks in Olympic spending that the department may be having. But if in fact we are cutting back in Olympic spending, if we are cutting back on the cost of the Olympics or the needs of the Olympics, I wonder if it wouldn't be wise -- you'd suggested that you were looking at developing smaller markets or markets in smaller communities -- if we couldn't or if we shouldn't be redirecting some of that money into those smaller communities so that in fact we maintain the same amount of capital that is being expended but we're developing it in other areas.

Another question that I asked last year, and I want to raise it again because I think it is important to note -- we've had the experience of Expo in Vancouver and some of the problems that tourism operators experienced in the province of British Columbia. I wonder if in fact we've had any opportunity to study the kind of liability that maybe tourism megaprojects may have. Throughout the province of British Columbia there were a number of areas that didn't have the kind of tourist dollars being spent in their community because all of the people, all of the tourists, were heading out to the lower mainland, particularly to be in Vancouver. And while there was an attraction to the lower mainland, it may have had a negative effect on the interior of British Columbia and other parts of British Columbia.

I worry somewhat about other areas of our province that may experience a similar kind of loss. If we have a sudden impact -- and surely the Olympics are going to be a megaproject for the tourism industry -- and if all of the money is being spent in a small geographical area over a relatively short period of time, I wonder what kind of an impact we're going to have in other areas of our province. I don't know if we've been able to assess

the impact that Expo had on other outlying areas of British Columbia, but I think it's something we ought to look at in our province so that maybe we can offer some kind of day excursion from the Calgary area up into Red Deer or down into Nanton or down into Drumheller, into the badlands, so that we can just sort of assist people that have made a major investment in developing certain areas of the province, certain attractions. If we can get them out -- as you well noted in traveling from Phoenix to wherever, the costs were relatively cheap, and maybe that's what we ought to be looking at here, trying to provide some kind of an excursion system from the Olympic site for people that can go out and spend a day in other parts of our province and show them around.

Vote 1.2.4, industry relations and training. Now, again, I've spoken about the need to develop some postsecondary programs that will attract people to the hospitality industry as a full-time career. I'm aware that the University of Alberta is attempting to develop still some programs in the hospitality management end, hotel/motel management, and a new one that they've proposed in the last little while is in leisure-time activity studies. It's an area of study that isn't available in other parts of North America, and yet the university is having problems developing the program, again because of budgetary cuts. It's unfortunate.

It's unfortunate that we've had cuts in the area from Advanced Education. I know that while the Department of Tourism isn't responsible for the expenditures or the management of the funds from Advanced Education, again it comes down to the point, I suppose, that if we don't get that competitive edge, we may lose it. And I think some extra emphasis has to be placed on other colleagues in the cabinet, Mr. Minister. We've got to be able to show them somehow -- I don't know how -- that the development of certain programs is absolutely essential to the survival of the department. It's just so very important that if, as you said, by the year 2000 we're going to have an expenditure of some \$10 billion in the hospitality industry that'll employ some 220,000 people, we can't wait until the year 1999 to decide that we're going to develop certain programs to try and attract some of those tourist dollars to our province.

The marketing division; administration. We have an incredible amount of money being spent on administration. The total marketing division budget is just slightly over \$15 million, and for administrative support we have almost \$6 million going for administration. This appears to be extremely high, and given that the total division is going to be cut a total of over \$500,000, one wonders just how a meagre cut of .1 percent, or less than \$4,000, was arrived at. I guess when you've got an administration department, maybe you go through that many paper clips. I would really appreciate having an explanation of that one. We've got such a major cut in the marketing division; why such a miniscule cut in the area of administrative support?

The meeting and conference marketing. It's up \$100,000 over last year, but still it's not what it was in '85-'86. We have a lot of conference rooms available, a lot of conference centres, convention centres, meeting rooms that are available, space that's available. I wonder just why we're not trying to attract more of that market. What's the reason? Have we found that we've saturated the market? Are we at a point now where we feel that regardless of the extra dollars being spent, we're not going to attract any more? Clearly, that's an area I think we ought to be developing, so I would look forward to a bit of an explanation there.

I've combined the votes 1.3.3, 1.3.4, 1.3.5, and 1.3.6 together, and I want to deal with them collectively because they

collectively suffer a cut of almost \$700,000. It's a tremendous cut at this time, and in fact in the long run it may end up costing us a lot more in terms of what may come back to us. In votes 1.3.2, 1.3.3, and 1.3.4 that amounts to about \$4.5 million directed at out-of-province tourists, yet out of the entire budget of \$35 million, \$4.5 million is directed at the outside market: 13 percent. Yet more than half of the revenue that comes into the province comes from out-of-province tourists. I wonder if by directing more money at that out-of-province market, that wouldn't generate even additional money coming back into our province. I think that perhaps if we spend more, we're going to get more. You know, 13 percent of the total budget is not an awful lot of money.

In votes 1.3.5 and 1.3.6, couple that with the out-of-province market. Again, these cuts hurt that out-of-province market somewhat but not to the same extent as it may have some impact on those traveling within our own province. The \$180,000 that's been cut from the travel information services is going to have a major impact when people come across our borders either from the north, the south, the east, or the west, or for people that are traveling within the borders of the province. I don't know where we're cutting in those areas, if we're going to have to in fact shut down a couple of spots along the highway or if we're just going to be reducing the number of hours we're going to have the facilities open, but I do have some concern there.

The in-Alberta campaign was cut too, just under \$200,000, I believe. At a time when we have very high unemployment and instability in our economy, I don't know if that's a time that we ought to be cutting back in the in-Alberta campaign. Albertans -- even unemployed Albertans and low-income earning Albertans -- are still looking for some kind of a holiday or some kind of a break. If they don't see the benefits of traveling in our province, of going out to the campground and spending the extra few dollars in the little corner store that's out in West Cove or something of that nature, maybe they're going to go to British Columbia or into northern Saskatchewan, not very far away from home, probably an equal distance if they were to travel north, south, east, or west. But if we take away from the in-Alberta campaign, I fear we're going to lose some of that in-Alberta dollar that we could be able to keep home, so it's important to try and maintain the in-Alberta campaign at the amount of previous dollars.

I want to end the marketing division by noting that we have an entirely new vote. Vote 1.3.7 wasn't there last year, \$150,000 for the former Member for Edmonton Avonmore. I noted last year when we talked about the Tourism department, I questioned the appointment of the former Member for St. Albert. This year I question the appointment of the former Member for Edmonton Avonmore. I know that the former Member for St. Albert got something in the neighbourhood of about \$63,000 that was being expended for that. This year we've got \$150,000 being expended for this particular one. I don't know; is that the difference between a former backbencher and a former cabinet minister. I just don't know.

ANHON. MEMBER: Male/female wage differences.

MR. SIGURDSON: Male/female wage differences; that's right. But what aside from his past government experience does Mr. Schmid bring to the department? I think that's an important question; I think it's a fair question. What are his duties, what are the responsibilities, and what process was used to hire him? I know that he sat around the cabinet table with you, but surely

to goodness in an industry that's being developed there are an awful lot of people out there with an awful lot of talent, and I would just like to know what was the process that led to the hiring there. I think we do deserve some answers.

I'm fast running out of time. [interjection] Seven or eight minutes left. Okay, thank you.

I want to make some comments about the Canada/Alberta agreement. The minister did respond to many of the questions I was going to ask, but I still think we ought to take a look at the agreement. In votes 1.4.2 and 1.4.3 they have the greatest reductions, 22.6 and 40 percent respectively. In looking over some of the criteria for the agreement, I wonder if that cut is somewhat due to a lack of private investment capital being made available, or is this amount that's detailed here the maximum grant amount available regardless of private capital investment? I looked through the agreement and I'm sure I missed part of the program, but I'm wondering if the minister could advise: is the agreement available for Alberta entrepreneurs, for Canadian entrepreneurs, or for international entrepreneurs? I would just like to have that clarification. Who is it available for? I know that it has to be developed here, but I do want to know who it is available to.

Vote 1.4.5: again it comes back to training and professional development. We may end up having a problem attracting people to the industry. We have to attract people that are qualified and people that want to be involved in the hospitality industry for a career. The cut of 37.5 percent, or \$300,000, is an awful lot of money to be taken away from training and professional development. Finally, in the area of industry and community support, another substantial cut of 38.6 percent, and I wonder again: is this cut due to the lack of investment of private capital, specifically from communities?

As I started off, I noted three positive things that happened in the department. There's the old line that for every action there's an equal and opposite reaction, so I've got a couple of criticisms as well. The Member for Banff-Cochrane noted on a previous occasion that the cost of the 5 percent hotel tax is going to have a rather nasty effect on some of the people that do operate in the hospitality industry. I don't have the kind of tourism industry in my constituency as the hon. Member for Banff-Cochrane does, so I've not been contacted by anybody from my constituency, but I am aware of some of the difficulties that some of the people in the industry are going to experience because of increased costs. Rooms that have been prebooked and prepaid -- I don't know who's going to end up holding the bag on that one. Are we going to ask the guests to pay the additional 5 percent? I would hope not; I wouldn't want them to leave the province thinking they were billed before they left and billed while they were here. Are we going to ask the hotel owner to pay? In all probability I suppose we are. But I wonder if it runs the risk of guest cancellations by increasing the cost of an already paid package. At the same time, I worry about the possibility of extra taxes in tens or hundreds of thousands of dollars that may bankrupt certain people that are operating in the industry right now. At the very least, we ought to postpone this tax until a time when very few advance bookings will be affected. June 1 of this year is just not enough time to prepare either the industry or the consumers for that tax.

On the weekend I got up and, like many of us here, grabbed a newspaper to take a look at what was going on in Calgary.

MR. R. MOORE: We all got up.

MR. SIGURDSON: You got up too, Ron. Good. I'm glad to see that. Sometimes I know you have difficulty getting up.

MR. R. MOORE: I made it that morning.

MR. SIGURDSON: That's good. I'm glad to hear that.

You know, it was sort of like having a bad dream. Here we live in a province that has so much to offer so many tourists. People travel to Europe to see cathedrals that are hundreds of years old, and people travel to Alberta and to our national parks to see the mountains that are as old as the earth. The national parks policy is in place to protect the beauty of the wilderness and the natural environment. To say that we should make any change to that is just outrageous.

If we look at the park visitations last year, Elk Island had some 329,000 visitors; Waterton, a beautiful park, 574,000 visitors; Jasper, 2,005,000; Banff, 3,349,000 visitors. Clearly the mountain parks attract people because of their natural beauty, and any development of the parks would change that. What would it become? Row housing for the rich nestled in the Rockies? You know, we just don't need or want any further destruction of our parks. If people don't want to carry their skis or don't want to load their skis onto their cars to get to the facility, let them go to where the powder isn't so great, where the grade of the slope isn't as good, where the trails are less than ours. Just let them go. They won't know what they're missing. But if we change the parks for the sake of a few, we'll all know what we're missing.

Finally, I want to talk about the wages in the industry. It's all well and good for us to develop an industry that's going to create an awful lot of jobs for an awful lot of people, but sometimes I wonder if we're going to create jobs that are going to prevent people employed in that industry from enjoying that industry. We have people in the service industry in tourism that are making some rather rotten amounts of money, less than poverty wages.

I wonder if I might have a minute to wrap up.

MR. DEPUTY CHAIRMAN: The hon. Member for Banff-Cochrane.

MR. STEVENS: Mr. Chairman, I feel that the Minister of Tourism in his remarks today has given all in the Assembly the opportunity to really travel with him from north to south, from east to west, from the Rockies to our prairies, along our rivers, and enjoy the four seasons we have in this province. He has given us an overview of a fascinating industry -- one of the four legs of a chair, some people have said, or one of three legs of a stool -- that we enjoy in this province.

Mr. Chairman, I would like to make some remarks about the areas that have been covered by the minister, to add to them, to ask him some specific questions, and to bring to his attention some concerns that some constituents in Banff-Cochrane have brought to my attention. Before I do so, I would compliment the Member for Edmonton Belmont, who also described the importance and the value of this industry. I have a different view of the industry in some aspects than he does, but I would say to him and to any of his constituents that Banff-Cochrane would welcome visits at any time by the member and by his constituents.

Mr. Chairman, I spoke on April 1, in the department of Treasury estimates, of the concerns of the constituents I represent with respect to the 5 percent hotel tax to be implemented on

June 1, 1987. I believe there is no point repeating those. I know the Minister of Tourism has considered those remarks very carefully, but I would like to bring to his attention two additional concerns that have been brought to me by my constituents. In addition to the concern not of the tax itself -- I think the majority of the hotel/motel operators, the tour operators, the transportation industry representatives, and the booking agencies are not opposed to the tax in principle. We are the last province but one to have this tax. And in fact in Quebec, where there is no hotel tax, there's a sales tax of some 9 percent. We do not have a sales tax in this province. But the concern has been expressed about the timing of the tax, the lack of notice, and the impossibility by the laws of other countries for the industry to pass that tax through.

So two suggestions for the minister to consider. One may very well be to consider either recommending to his colleague a change in the date of that program or, alternatively, the possibility of some form of rebate for those in the industry who can genuinely show that they have advertised and have had those bookings taken and are therefore not able to pass those charges on. The second concern has been raised with me from the Banff Centre. The Banff Centre, like other institutions, provides a number of accommodation and food provisions not only for students but for the members of the public who choose to attend the Banff Centre and perhaps other facilities on seminars and conferences and so on. Some concern has been raised that in fact student accommodation or accommodation used during programs, whether they're wilderness training or whether they're management training, would be required to pay this tax. I would ask the minister to look very carefully, because there are exceptions for four rooms or less; there are exceptions for accommodation of one month or more. But I would wonder if some discussion should be held between him and the president of the Banff Centre and perhaps other institutions where in fact there is accommodation provided during seminars and so on, and I would question whether or not that's an appropriate charge.

Mr. Chairman, during this last weekend when there was -- I guess there are large political events only every four or five years in this province where so many people get out and become politically involved. Yet this weekend we had one of the largest conferences, if not the largest conference, ever in the history of this province; 2,600 people gathered from all over the province, including Edmonton Belmont, including other areas of the province where we will be working very hard to have those constituents send members back to join our party in this Assembly.

One of the resolutions I'm very pleased was passed nearly unanimously. In fact, three parts of it were passed unanimously; one part had some problems with it. I'd like to explain to the minister that Banff-Cochrane's resolution strongly endorses the aims and efforts of this government and him in four areas. One, in raising the interest and esteem of the industry in itself; helping through training, helping through video programs, helping small business operators learn and helping them teach their staff that they are very important in the provisions of this service: that was part of the resolution which received unanimous support.

The second part of that resolution proposed a focus on international markets. I know the minister is doing that, and I would encourage his department to continue to identify those target areas, areas where we can not only identify ourselves but promote ourselves so that we will have the opportunity to have those visitors not only come once but stay and come back.

The third part of that motion suggested that we should identify and build on our strengths, including the national parks and including Kananaskis Country. I believe it was that part of the resolution that caused some misunderstanding. I wanted to clarify, as was done at the convention, that Banff-Cochrane is not suggesting we simply advertise Kananaskis Country and not the Peace River or the Cypress Hills. No. It is simply to ask the minister to use the strength of Kananaskis Country as another jewel in the crown of our national parks, our provincial parks, our recreation areas, so that we don't overlook the opportunity we have to bring people to this province, to meet our people, and to help us develop this industry.

The fourth part of that resolution, Mr. Chairman, was to encourage the private sector in the national parks, in Kananaskis Country, throughout our province. I know that the minister is doing an admirable job in the area of the federal/provincial tourism agreement and that Banff-Cochrane business operators have received considerable support in their innovative ideas, as do other operators, whether they're in the Jasper-Edson area or Edmonton or Calgary or any other part of our province. I hope, through, that we continue, when that agreement runs out and while it's in place, to work with our federal counterparts to ensure that our efforts are aimed at encouraging the private sector so that it's not the government of Alberta or the government of Canada and the government of Alberta that are doing these things. It's important that the private sector be encouraged to identify these opportunities and to proceed with them.

I'd like the minister to expand a little bit on his comments about TIAALTA, the Travel Industry Association of Alberta. A concern I have is that in developing the tourism council, in some way we might overlook or give TIAALTA the feeling that it is no longer as important in its relationships with the minister and his officials as it might have been without the special new thrust of the department. I hope the minister and his officials will continue to work closely with TIAALTA and to listen very carefully to the problems and processes that they've identified.

Mr. Chairman, with respect to Banff National Park, which celebrated a 100th anniversary just two years ago, the province's position has always been very clear to the constituents I represent: that, in fact, if the federal government, whether it's the Department of the Environment, as it is now, or some other department, as it can very well be and has been in the past, is unable to make those decisions with respect to development, environment, management, whether it's in the townsite of Banff or the visitors' service centre at Lake Louise or whether it's in the further development of the Trans-Canada Highway -- and I encourage the Minister of Transportation and Utilities to continue with the efforts that he has initiated from time to time in his former capacity and in his current capacity, to ensure that we can see those highway systems develop so that we reduce the carnage, the people who are hurt, the property damage, and the loss of life of animals. I compliment the federal government for the work it has done to date, albeit it took a long time to do it, to develop the twinning of the Trans-Canada Highway right through to Lake Louise and wherever the traffic demands, perhaps even to the Banff-Jasper turnoff. I hope that continues to be pursued by the federal government, but if not, I hope we'll continue with our efforts to say to the federal government, "If you're not prepared to do this for our visitors, then we should be doing that." Now, that may raise some concerns in people's minds about environment, about development of the townsite, and the conflict between use and preservation, but I believe Kananaskis Country is a prime example of how recreation and

preservation can be together developed by government working in concert with the private sector.

Mr. Chairman, the minister might want to expand on his comments about Take an Alberta Break and his intentions to continue to travel throughout Alberta and not just to Montana or elsewhere. I would encourage him to visit again, as I know he has, Sunshine Village, where in fact he and his family can leave their skis in their rooms and put them on when they go up the hill and take them off when they come down. And of course there are other facilities throughout the province that have those opportunities. He might want to expand on his remarks, because I know, for one, that he does visit our tourism opportunities in Alberta.

Mr. Chairman, I'd like the minister, in commenting on the Olympics, to take us one step beyond, because after the Olympics, after those 2 billion people have seen Alberta -- and some of them will visit; thank goodness we'll be jammed during that period of time with visitors from all the nations of the world -- what is next? It's not just the message that we will give during those 17 to 19 days in February of 1988 that's important; it's the message we will give to them to ensure that they will come back or to ensure that what they've seen on television, what they've heard on the radio, what they've seen in the newspaper will help bring them back here. So what's next, Mr. Chairman, to the minister, after the Olympics?

I would also mention, that the constituents in the hotel/motel area that I represent support very much the celebrity ski event that he mentioned earlier in his remarks. There is no question that the contacts they received as a result of that event and other subsequent media exposure did increase contact. And I think that his point that the costs were borne by the participants and that it was the promotional costs only by the department is very valid.

Mr. Chairman, I do express some concern, though, that our budget deficit and our need for fiscal restraint has impacted on this department. When you look at the budget before us for the department, it represents \$35 million, but from that we should subtract, for example, the \$12 million that is part of the federal/provincial agreement, and if we take away the minister's office and his department's senior official's office, it leaves us about \$20 million for tourism by the department in Alberta and in developing the outside market. That is about \$10 per person, yet the year before those same components resulted in potential expenditures of about \$10.50 per capita. So the department has had to have its budget reduced, but I'm pleased that its reduction is only 10.5 percent when the average of all the departments has been something like 16 percent, with the exception of the very important areas of health, social services, and education. So, in fact, the government has given tourism a special emphasis, and I think that is recognizing the importance of tourism for all of us.

Mr. Chairman, I would ask very much if his officials can work closely with the proponents of the hotel development in Canmore in encouraging them to seek recognition of the importance of that area of our province, where there is much sunshine and the possibility of ownership of land, as opposed to leasing land in a national park and so on, to encourage that development company to review its name. I know that's a decision for the company, but I am astonished to find that proponents of a major hotel in Canmore would choose the name Banff Gate. It's true that Banff National Park and the community of Banff are international drawing places for many visitors. Three out of four that come to Alberta choose to go to that corridor. But still, I would hope that in some way, in working together, whether it's

in the other areas of our government or through Tourism, we can encourage them to develop the whole valley concept.

Mr. Chairman, one suggestion for the minister is with respect to Sunshine Village. The federal government is, as part of their long-range planning program, hosting a number of open houses, which began last week and conclude sometime this week. And, of course, the decision about Sunshine Village and its future expansion plans rests with the federal government. I'm hopeful that the minister will be able to impress upon the federal Minister of the Environment, formerly the tourism minister, that in fact it is in the interests of all Canadians and all Albertans that the 1 percent of our national parks that are devoted to the development of tourism opportunities be given the opportunity to develop those facilities to their highest and best use. We're talking about 1 percent of the land mass of the incredible Rocky Mountain block. And to think that we would not encourage that development to me is a very shortsighted view.

Mr. Chairman, to the minister, I would ask that he also consider not only partnership with Air Canada but some partnership continuing with Canadian International, our new airline that has joined PWA and CP Air, because I believe -- if I'm wrong, I certainly hope I can be corrected at some point -- there is more traffic coming to our province via Canadian International than by Air Canada. It may very well be that the marketplaces are unique and different and that's why our effort is that way. But I hope we don't overlook the unique chance we have now to work with Canadian International.

Finally, I would ask the minister to consider this suggestion. When we as a province are supporting our industry and working with our skiing community, whether it's Fortress or Nakiska or Sunshine or Lake Louise or Norquay or all of the ski areas, including the ones represented by my colleague from Pincher Creek-Crowsnest or out in Jasper-Edson, we consider the generic value of photographs of those facilities so that when the world sees a person or a family downhill or cross-country skiing, that's not all they see. They start to see in that picture, that photograph, or that brochure that it is in fact the Rocky Mountains, that it is in fact Jasper, that it is in fact Lake Louise, or wherever we are targeting our market. Our vision, our beauty, our mountains, our scenery is known to some in the world, but it is not known to everyone, and it's not enough just to advertise a family enjoying a day out, whether they're hiking or skiing. We must show where they are hiking by the proper photograph which shows the typical picture of Lake Louise or the picture of Mount Norquay or in the background there will be a superimposed view of Sunshine Village or whatever it is that identifies the facility with the mountain or with the trail. So I leave that suggestion to him.

Mr. Chairman, this minister and others of our team believe in tourism. He does smile, he is a tourist attraction, and I hope he continues to do that.

MR. DEPUTY CHAIRMAN: Did the minister wish to respond or hear from more members? The Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Thank you, Mr. Chairman. I would like to start off by congratulating the minister's office on having one of the few ministries, for example, who have cut back their own expense by 17.4 percent. I look at the Department of Agriculture, for example, with a deputy minister, and the deputy minister has increased their minister's office by 8.7 percent and slashed the agricultural budget by 40 percent. At least in

Tourism here, we do have a cutback, but at least the minister's office has seen fit to act with prudence in terms of spending money for his own office. So I'd like to start off by making that compliment.

However, taken aside that I know the Minister of Tourism is doing a good job as a minister, I find that the whole expenditure of \$267,480 out of that new ministry that was created last year -- I think if we simply amalgamated again tourism, say, with fish and wildlife and forestry, the whole thing would create a lot more communication between departments, which I think we're creating by having too many different ministries, which tend to isolate decision-making. We would have an extra \$267,480 to be put back in terms of promotion into the tourism budget. For example, I see here that the in-Alberta campaign has been reduced by 6.1 percent. You know, taking that money and putting it into that pile would promote that program a lot better.

I've received, for example -- out of my constituency the Lakeland Tourist Zone has been complaining, as well as a lot of the tourist zones in the province, that they are underfunded. Manpowerwise they're only provided, I believe, \$10,000 a year to provide for staffing, and the rest of the money is for development of their brochure. And one of the things that's happening is that the volunteerism of these tourist zones is just simply getting burnt out. I mean, we can only count on doing a professional job so much in terms of volunteer service. I would like to ask the minister why that concern, which was expressed to him last year in budget estimates, has not been looked at in this year's budget. If we have a disintegration of the tourist zones in the province of Alberta, then I think we're going to be losing a very important local promotion of tourism to the captive markets that we have here in Alberta.

Another thing which I kind of wonder about, you know, is the whole promotion of Alberta to the international market relating to the Calgary Olympics next year. Are the local tourist zones going to be quite greatly implicated in terms of that whole promotion package which will hopefully be provided to thousands upon thousands of foreign and Canadian visitors? Because tourism cannot just simply be a southern Alberta phenomenon; it's got to be a total package which benefits all of Alberta.

I kind of fear, when I read a lot of what was said, for example, in Calgary at the PC convention, that we're looking at privatizing or having Alberta take over some of the national parks. But again the government is looking too far south in terms of spending its tourist promotion dollars. For example, when some delegates from Fort McMurray asked the minister whether any park development is contemplated for northern Alberta, whether a Kananaskis kind of complex would be built in northern Alberta, the minister of parks and recreation answered by saying that we don't have the money now to do that. Although it was a promise made by the Minister of Recreation and Parks in one of his opening statements to the House when he was named minister that that would be one of his government priorities in this term of the government, now we see a backing off from that very important thing.

I think another thing that we have to also start developing a lot more is the whole question of cultural tourism. Instead of simply opening up parks by lakes, for example, which very often puts very heavy pressure on fish and wildlife and bird nesting areas, we should be trying to diversify the tourism industry by complementing what we already have. I'll give you an example of Lac La Biche Mission, where the history of the Metis and the French Canadian in Alberta could be developed

into a major cultural tourism park, like Fort Edmonton and the Ukrainian village, to diversify the kind of attraction we have in northern Alberta.

What I'm really concerned about is that I really think what's developing with the numbers of ministries which overlap -- parks and recreation, environment, fish and wildlife, and tourism now -- that we have four ministries now which are to a large extent in the same business of making sure we protect the environment and, at the same time, enhance a very major industry which Alberta needs to develop. I'm afraid that by having all of these four different departments working perhaps independently from each other, there'll be a lot more lack of communication that will develop.

One of the things that I'd like to continue from what the Member for Edmonton Belmont was indicating is the concern that we have, that I think all members have, that the tourism industry in Alberta has to be professionalized. If we're going to be able to continue to attract people to come back to Alberta, we have to have a very professional tourism industry. The people that are trained, the people that are working in the tourism industry, have to be paid in terms of remuneration where they will make it a life skill decision. So that's not just simply a summer student who's going to be working there for two or three months and then looking at other job opportunities in the future. Looking, for example, at the average wage in the tourism industry, which is around \$4.80, working from the minimum wage to about \$4.80, I don't think we will be attracting a professional tourism association or people willing to work in a tourism industry in Alberta. And I think that question will have to be answered by our hotels, by our government, by the whole idea that if we're going to be providing now the professional training like we've started at the Lac La Biche AVC, where we've just signed an agreement with the federal government to provide tourism training, to make it a professional association -- now, if these people are going to be attending school, becoming much more aware of how to develop that, will these people command more money in the marketplace, or are they still going to be paid the same below almost poverty level remuneration or salary which will basically force them to move onto other enterprises? I think that's going to be very important.

As I traveled through Europe, for example, they have professionalized their tourism a lot more. They have made it part of the hotel/restaurant bill that you have a basic 12 or 15 percent service charge built into the meal ticket or whatever to ensure that the waiters and the people working in those restaurants, et cetera, are paid above the minimum wage. When I talked to a lot of people working in hotels, for example, in Banff or wherever, they are amazed at the lack of people who are actually tipping properly in the facilities. They're just basically existing there as a summer-job enterprise because of the fact there's just not really enough money there for them to consider it a profession. So I think that whole part of making tourism a profession, we have to address the training as well as the wages and the salaries.

One of the things that I also wanted to compliment the minister about is the in-province kind of advertising this year where the minister was very prominent in his role on radio and television. I think that gave the tourism aspect a much greater impact. However, I want to also raise a few other concerns that I have relating to promotion. Promotion should start immediately upon entering the province. I believe I raised that issue in the budget estimates last year relating to tourism, that clearly as we come in on the Trans-Canada or the Yellowhead or major entry points

into Alberta, tourists there should be really served first-class in terms of tourist information booths. I know that in our own local tourist zones we do have the tourist booths open, et cetera, but that's only after people are there. What do we do to basically inform them about a total package out there in the province of Alberta?

I would hope that in the promotion in Calgary that kind of program is developed and will continue to exist after the Calgary Olympics are over, that we do have perhaps a brochure without spelling mistakes and everything else that very often happens in some of our promotion publications, that we have good, accurate information for people, and also that the Minister of Tourism, if that ministry is going to continue to have influence and really pay its way, start lobbying for -- where we have tourist zones right now that start off somewhere and end nowhere, he advance to his minister of transportation, for example, a second link to Fort McMurray via Conklin, so people can make a circuit around Highway 63, down through another beautiful area. Only a few miles are needed to be connected to Lac La Biche, where people could make an entire circuit in that area there.

Another area which should have been addressed a long time ago by tourism, forestry, and the department of transportation are the Lesser Slave Lake-Wabasca-Calling Lake-Athabasca tourist kinds of connecting roads. I find it very difficult to understand that we have not prioritized these roads, not only because they are linked to tourism, which is very important, but because people hate driving up to the same place then coming back down the same road. They like to make circuits. They're all part of attracting people to see a lot of new landscape, and then being able to develop marinas, et cetera, in terms of isolated areas where maybe a high native population is located, where they can start tying into tourism in areas like Conklin, Janvier, Wabasca, Sandy Lake, and Desmarais. I think those kinds of priorities from the Minister of Tourism need to be lobbied within the other department of transportation to make sure that it's not just simply resource roads we're addressing but also combining that with tourism.

On that note, I guess I would like to make one last comment, the comment I raised last year. I'd like to get a response. I feel that we're wasting a lot of public money in terms of the Wildlife Park, in the location we've given it, by allowing a private individual to buy animals from Polar Park, and locating it by the big Red Barn. Again, looking at the subsidies we're providing for the Wildlife Park, we're not getting a fair return for that money. I know that if we quit subsidizing it, probably it's going to go under. I hate to see that being lost, but I'd sure like to see this government, rather than seeing it go under, locate it in a much better area in northern Alberta which will bring people in to the northern part of the province. Where it's located now is just totally out of sync to where any major highway is located. Nobody's going to go up to Bon Accord and go up 14 or 15 miles of back country to visit that beautiful Wildlife Park, unless they're school kids. It's very unfortunate that it's located there. I hate to criticize the owner. I guess they've tried it, and it's in the wrong location. But I'm afraid that in a time of recession we're going to see the subsidies that keep this thing operating disappear, close it up, and lose a great chance to make sure that Wildlife Park is located, say, along Highway 63. Highway 63 and Highway 28 are major tourist areas.

ANHON. MEMBER: Thirteen.

MR. PIQUETTE: Pardon me?

ANHON. MEMBER: Thirteen.

ANHON. MEMBER: Fourteen.

ANHON. MEMBER: Thirty-six.

MR. DEPUTY CHAIRMAN: Order.

MR. PIQUETTE: I didn't hear your comment. Okay.

They could be very important tourism destinations. We have 35,000 people living in Fort McMurray, a lot of people from out of province visiting relatives up there parked along Highway 63. Fantastic. I don't think you would have to subsidize it. It would survive on its own, and it would also be part of attracting people to the beautiful constituency of Athabasca-Lac La Biche.

Thank you very much.

MR. DEPUTY CHAIRMAN: The Member for Edmonton Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. [some applause]

ANHON. MEMBER: You've got a fan there.

MR. MITCHELL: Thanks to those hon. members who are looking forward to hearing me speak -- both of them.

I would like to begin by congratulating the minister on what I believe to be an effective promotional program for tourism in and outside this province. I would also like to congratulate him on being one of those ministries not mentioned in the annual report of the Auditor General except to say that there was nothing found untoward. It's a compliment to the minister and to his staff for their effective management of their department.

I am concerned that this department, along with the two other departments in the government which relate directly to the potential for diversifying our economy, have been cut. This department has experienced what I would determine to be a major cut of 10.5 percent, and while we in the Liberal Party endorse wholeheartedly the importance of restraint, balancing a budget over some period of time, we are concerned that this budget of course includes very little in it that represents investment in the future, specifically with respect to diversification through tourism, through technology, research, and telecommunications, and through economic development and trade.

More specifically we were concerned with the minister's comments on the weekend concerning Jasper National Park and Waterton Lakes National Park. It is unlikely that the federal government would actually respond to the suggestion of provincializing these parks, but we would -- and I would -- be interested in hearing the minister's comments in the Legislature confirming or denying a serious interest in doing that. We feel very strongly that these parks are special places and that they represent, among other things, Alberta's contribution to a Canadian heritage, and that we should be very, very careful not to create those as provincial parks, particularly with any view to increasing development in those parks. We view them as a long-term investment in the environment and in the beauty of this province and would be concerned that their sanctity be affronted by any initiative to increase development or to structure them as provincial parks.

I might ask in this regard: what is the relationship of this

initiative to the Mount Allan initiative? If anything, much can be said positive about Mount Allan, and one of the things is that it does allow for strong, broad development of a ski resort outside the national parks area. It was our understanding that that was in fact one of the positive features of the Mount Allan initiative, and it would be our hope that focusing on Jasper National Park or Waterton Lakes National Park would not represent, in some way, a decision not to pursue the Mount Allan project or represent backing off that project somehow.

What does this statement on the weekend really mean? If we are to develop the parks further, one initiative we would like to suggest again -- we suggested it last year -- is the idea of supporting somehow a string of bed-and-breakfasts that are less commercial, less destructive kinds of development for tourist areas, our mountain areas, and that would really emphasize the value that many people place on these as being quiet and reasonably inaccessible, at least not as accessible as other tourist types of development. But people with a commitment to the environment and to the beauty of those areas would be able to enjoy them through an elaborate string of bed-and-breakfasts.

I would like to emphasize comments concerning wages in the tourism industry. Clearly, minimum wage is a factor in the tourism industry. Has the minister considered raising the matter of minimum wage with his colleague in the career development department as an initiative to stabilize employment there, to create longer term career possibilities there, and to enhance thereby service standards in our tourist industry?

The hotel tax: while we are not convinced that the hotel tax is unfair, there is an argument that supports the need for at least the use of a hotel tax to find additional revenue, which this government so badly needs because it overspent in the 1970s and 1980s. I'm not directing this at the Minister of Tourism of course; I am directing this at the minister of the Treasury. But we see one specific problem -- wake up, Dick. I'm sorry.

MR. JOHNSTON: Which specific would that be?

MR. MITCHELL: Thank you. It's nice to hear that you're listening. I'm talking about bed-and-breakfasts.

We are concerned that to an extent this hotel tax is retroactive to the extent that tour operators and hotel companies have made a commitment to previous rates. Would the minister consider advocating on behalf of these people to the Treasurer the possibility of excluding commitments already made?

There is an issue in Edmonton -- I've spoken to one alderman from Edmonton, and I'm certain that it's a concern in Calgary and possibly in other urban centres in this province -- the concern with the impact of the hotel tax on convention business. A proposal that's being considered by this particular alderman in Edmonton is the possibility of having this tax related to convention organizations or organizations booking conventions so that the convention could use the money as a hospitality or promotional expense, or simply reduce the cost of conventions.

A number of initiatives appear intuitively to be useful. I'm wondering whether the minister could give us some evaluation of the following programs or initiatives. What is the effect of the London and Los Angeles offices on promoting tourism to Alberta? What is the effect of the commissioner for trade and tourism? Can the minister please evaluate the results? What effect did the Expo pavilion have on tourism to Alberta? I was at the pavilion; in many respects it was very impressive. I had a concern that perhaps it emphasized our cowboy heritage to the

exclusion of other positive features of Alberta's heritage. That's not to say that we're not proud of that particular portion of our heritage; certainly we are. But there's much more to Alberta that would attract people. The mountain-climbing idea was excellent, and I think it certainly emphasized our mountains. But the skiing emphasis was not as powerful, I think, and might have been emphasized more. I would like to see whether we could have some insight into the impact that the minister feels this particular pavilion had on tourism to the province.

Could the minister provide us with any assessment of the positive or negative impact of the PWA purchase of CP Air on tourist-related air services to Alberta? Could the minister please provide an evaluation of the effect of the Take an Alberta Break campaign, which appeared to be extremely positive? But are there figures or facts that can actually assess this? I know it's difficult in advertising. I think it's said that 50 percent of all advertising works. The problem is figuring out which 50 percent.

Specifics. The rest area east of Edson. I don't know whether this is a transportation department concern. Yes, transportation department; I'll save it. Could the Minister of Tourism please evaluate the financial status of the Olympic committee? Will the Olympics break even? Will we be subsidizing them, to what extent, and at what levels of government? Do we have an agreement with Ottawa to assist in subsidizing, if that's necessary? What's our relationship with Calgary in that regard? And so on.

Is the government taking any role in co-ordinating OCO's involvement with the Winter Cities program? They are both quasi-autonomous or semiprivate groups, I know, but has the government been involved in ensuring that the Winter Cities activities will be complementary to OCO's and will be co-ordinated between the two groups?

With respect to certain votes, specifically vote 1.3.1, while there is a slight decrease in administrative support in the marketing division this year proposed over last year, there is a huge increase over 1985, when that vote was allocated \$694,000. Could the minister please explain how it is that increase was necessary and whether it is detracting from the emphasis on that which gets us results, which is marketing tourism in Alberta. Similarly with vote 1.1.4. The administration division of the program support element has gone up only slightly over last year, but over '85-86 it's gone up from \$889,000 to \$2.4 million.

Kananaskis development. I don't know whether that's under Tourism. No?

Tourist destination. West Edmonton Mall clearly has a huge regional impact, has a huge impact on attracting tourism generally to Edmonton, to the northern part of this province as well, and probably has an impact on people's decisions to ski in Jasper or in Banff. It has a huge infrastructural impact on the west end, the roadways, and so on. There has been some special funding to the ring route north of Whitemud Freeway west of and up the ring route belt. Could the minister please indicate whether he feels that some sort of special provincial support for normal roadways that are being pressured by all that regional activity and tourist activity might be considered by this government?

Finally, and it's with some reluctance that I raise this, because I am impressed by the job of this minister and his department, but I'm driven to do this, given that to some extent it seems that the Department of Tourism might properly fit under the department of economic development. Therefore, could the

minister please give us an explanation or justification of why the departments are kept separate and how he feels that improves his productivity?

MR. FJORDBOTTEN: Mr. Chairman, I'd like to respond to some of the questions. I'd like to say right up to begin with that I have a great deal of admiration for how the estimates were handled in this department today. All the comments that were made by everyone were very important comments, well-thought-through comments, and also ones that asked a number of very pertinent questions. I have to say that I probably can't answer every one of them in the department of supply, but what I'll do is respond to members on specifics.

I'd like to say another thing too. I can appreciate the difficulty a number of members had going through the budget and understanding why there were increases in some places and decreases in others and how it all fits together, because when it's a stand-alone department and trying to organize it in a way where it stands alone, there has had to be allocation moved from one spot to another and show -- even though there wasn't a decrease in certain places or increases in others, it looks that way on that balance. I don't expect members -- I had a difficult time myself wrapping my mind around it and understanding how we were going to administer and move this money around. I'd be happy to sit down with members and discuss that with them on specific areas.

Just because it's at the top here, I'd like to take the Member for Banff-Cochrane to start with. The reason I want to start with him is that he and, I think, the member for Jasper have basically the same initial problem in some ways. They have an awful lot of tourism in their areas. I mean, other members have a wide variety of small businesses and ranchers or farmers, et cetera, but when it comes to those two members specifically, they have a lot of tourism in their particular areas and so have unique problems to deal with in working their way through with their constituents.

I also want to compliment the Member for Banff-Cochrane when he talks about the scenery and the importance of that scenery in a four-season destination. One of the things I think is important: if you could picture yourself for just a moment, it's July or August and it's an extremely hot day in Phoenix, Arizona; in fact, you're cooking and you're looking for some way to get away from there. We haul a lot of people down there, and we call them snowbirds. But down there where do those people go to get away from the heat? I can see a picture of a mountain with a little snow on it and a lake and guy fishing, and on it it says something like "Alberta, Canada" and then on it it says, "America West Airlines" or "Air Canada" or "Canadian International" or whatever, so that when they're looking at it they say, "Gosh, that looks refreshing," and they'll call those airlines. We can attract people. So the scenery and pictures that we can utilize in that I think are extremely important.

It was raised about TIAALTA and their feeling on the tourism education council. I'd have to say that they are fully supportive, and I think it's the first time in history that all areas of the tourism industry have really agreed on anything. They fully agreed on the tourism education council. They're also going to be included on that. As well, a member of TIAALTA will be sitting on that board.

The question was raised about what happens after the Olympics. One of the concerns I've got with this whole area about the Olympics is: we have a window of opportunity now. What did Sarajevo do with theirs? All of a sudden it happens to

them; how many people travel there now? We've got a window of opportunity; it's a very narrow window of opportunity. It was raised: "What happened at Expo? How come Vancouver seemed to gain a lot from Expo, but in the interior they didn't?" A lot of people were traveling on a limited budget and they headed straight for Expo. They only had limited dollars to spend, and then they turned around and went back. That's where they spent their dollars. They didn't stop in the interior.

I think that in our advertising building up to the Olympics what we have to do is let the world know that not only do we have great skiing but we have a great four-season area. We have a lot of culture in the Athabasca area; we have the Tyrrell Museum at Drumheller. We have a wide variety of other things to do and to see here on a year-round basis, and that's our window of opportunity on the world. The difference between the Olympics and Expo is that Expo was quite a long period of time. It's a very narrow period of time in the Olympic period when all the media attention will be on Alberta, and we have to make sure we capitalize on that, building up after the Olympics. I'd hate to see that the day the Olympics were over, the lights went out because we missed the opportunity to use that all across the province.

The Member for Banff-Cochrane raised with me about raising with the federal minister the hotels in that particular area. The Member for Banff-Cochrane has been extremely supportive of that and recognizes that certainly they have accommodation at Sunshine but we need additional accommodation of a higher class. It can be aesthetically pleasing, and the hotel can be built in such a way that it will fit in very nicely and attract people to that area. I am fully supportive, as he is. I'm going to be contacting, with his support, the federal ministers and outlining that, as well as the other things that can be done, because of the impact in his particular area.

Some of the questions raised -- I wish to compliment the Member for Edmonton Belmont on his well-thought-through questions and comments with respect to the estimates and his concern for tourism. You know, we're all looking for the right answers. We're all looking for the right approach. There's not one right answer; there's a variety of them. And I appreciate the comments he raised about the reduction in manpower. That reduction was \$188,685 and was mainly realized through the wage allowances and benefits area. We're being extremely careful about overtime. For example, when we send people out now to small communities -- we used to be able to do that all the time. "Oh yes, you just call me, and we'll send somebody out there." So we'd meet people coming back and forth on the airbus, et cetera. Now it may take a little longer to go there, but we're going to try and work to make sure that when they go, they can do three or four at a time rather than one and coming back and then doing another one. Just being a little more efficient on how we operate, I think, can go an awful long way to seeing that we do things better. I mean, there's no sense in -- we've cut the travel budget by 15 percent, and I don't think we'll hurt anything. I think we'll just be making better use of our time as we work our way through it.

Tourism Pulse. The Member for Edmonton Belmont asked about that. We used to do all that by press release. We had initial mailing contact with the industry and we sent them out. We now make it available to anyone, on request. I think the cost of that thing was about \$350 to put out 320 copies, so it's a very small amount. But we started out with a small mailing list. We want to assess the demand and how relevant it is so that we're putting out material that is relevant and can be used in the area.

The minister's office. I think that's pretty well been covered. About the reduction, I don't intend to take as many ministerial missions. There are certain ones that have to be taken by a minister to open up certain doors. I'm going to very carefully assess those, and I'll do them if I feel they're necessary, but I intend to do less than what is planned. And because we spent a significant portion of last summer in the Legislature, I wasn't able to do a couple of them I had in mind. Therefore, the reduction I think in itself is pretty well self-explanatory.

In the development division the major decrease was \$382,000 in grants that reflected a decrease in the festival marketplace grant requirements, and we're not going to be hurting anything by doing that. The demand just isn't there. We can spread it out over that period of time, and when Edmonton is ready to respond, we can be ready to do that.

In education we're bringing together the industry, the government, and the educational institutions, and I think that'll give a higher profile to the industry as we work our way through that. I think that making people better qualified -- and that was raised by the Member for Athabasca-Lac La Biche too, I believe, in that we have to have a professionalism when they come in. I was in a restaurant not long ago and ordered toast, and it came so black I couldn't eat it. I told the waitress, and she said, "Well, you can scrape it any colour you want." I mean, that isn't the kind of stuff that we need going on here. We need a little professionalism. How often do you walk into a place, and they say, "Thank you very much, and you have a good day"? They're too busy taking your money. I think businesses have to recognize that they're going to have to deliver a little service. I buy shirts at a place where I pay two bucks more than I could get them somewhere else, but I like the guy; he treats me well. I'll eat at a place where the food isn't the best, but if they treat you well, it even tastes better. I think we can do an awful lot of things instead of crying and saying that the government should do more. What are they going to do? I think they have to learn to fish or cut bait too, and if we're all part of this industry, everybody has to play their role in it.

Hotel tax. I don't like taxes; none of us like taxes. But it seems it's the only way we're going to go forward. But there are a couple of things that aren't tourism decision-makers. One of them is alcohol. Whether it's available or not doesn't really make a tourist's decision on whether he's going to go somewhere or not. Secondly, whether a hotel tax -- everywhere I go, it's so much for a hotel, plus tax. I pay it. In California it's 6 to 11 percent. You've got tax in Hawaii. You've got 15 percent, I think, in Japan. They've got taxes in England and it doesn't deter tourism at all.

There is a concern, and it was raised by the Member for Edmonton Meadowlark, about tourism wholesalers, et cetera, that have made some deals. I've raised that with the Provincial Treasurer, and if there's a way that we can work around that, I think I can twist his arm, hopefully, and do something about that, because there are contracts made up. But you know, let's be realistic; everyone can figure out a way around a contract and back date it and everything. There has to be a unique way to do it for the travel wholesalers and everything. There are some that have a flow-through clause and are able to pass the tax on; others don't. That's something I've raised with the Provincial Treasurer, and we'll go through it.

If we look at the whole area of the tax, if you look at other provinces and what's happening there -- if I look at B.C., they have a 6 percent sales tax now, a 6 percent hotel tax, and a 6.5

to 8.4 gas tax. If you look at Quebec, they don't have a hotel tax now; they've taken it off, but they've got a 9 percent sales tax and a 13.6 percent gas tax. So if we start trying to compare value for the dollar, it's still going to be far better here than anywhere else. I look at Newfoundland: 12 percent sales tax and 12 percent hotel tax. Here we are with no sales tax in Alberta, and we still are going to be the best value for the dollar.

Since I'm running out of time, I want to cover this one issue for sure, and that's to do with the comments made on the weekend about national parks. There should be no doubt in anybody's mind about our commitment to the preservation of our parks, and that's the utmost concern of our government. Did you know that Alberta ranks first among all the provinces in land dedicated to parkland? Eight percent of Alberta is parkland, B.C. has five percent, Saskatchewan one percent, so there should be no doubt about our commitment to parks. Ninety eight percent of Banff and Jasper National Parks are zoned wilderness, natural environment, and special preservation areas. Surely there's more than ample room to accommodate the needs of the back country recreationalist and the environmental preservation needs and the wildlife habitat. All we're talking about is about two percent. I mean, are parks really . . . I was passed a note here: Alberta builds parks for people; the federal government has their priorities mixed up, and they build parks to protect them from people. I don't know if that's true. But one thing I know is that parks are for people and by restricting so many things in the parks, we're putting a lot of pressure on our provincial parks.

Now we're talking only about two percent; no one is suggesting going any further. We're not talking about commercializing the national parks. But people from this province -- the drain of dollars of people going to Montana and going to British Columbia can be reversed if we use a little realism. Can't we even discuss it? Our goal, I think, is to make tourism an even more important contributor to the provincial economy, and that means jobs and commercial stability and economic diversity, and I think we can do it if we're realistic about our approach.

The one I wanted to make a comment on is that the foreign offices are going extremely well. The Los Angeles office: if it hadn't been for the Los Angeles office, we never would have gotten celebrity ski put together. With Horst Schmid and the contacts he's got internationally -- his contract's not with me; it's with economic development. But he's doing work for us and is attracting international conventions. And I know that even the mayor of Edmonton said, "If you don't hire him, we will, because he can bring a lot of good things to Edmonton if he's doing that." I'm happy to report that he's been very active -- hasn't been traveling as much as I thought he might but his contacts in there have shown the effectiveness, I think, of contacting in the international, and particularly the German, market. Because if we look at where the future lies, the United States market is number one, the Japanese market is key, and another very important rising market where the people are looking at coming here is the German market. I don't know anybody better qualified than him to work in those particular markets to try and attract convention business here.

I compliment the Member for Athabasca-Lac La Biche. I want to raise in closing his concept about loops and how we can get people here and take them on a loop. I think there could be a loop from Vancouver to Jasper to Edmonton to Calgary and back. I think there could be other loops. We could make a three- or four-day trip for people to be able to get around and do

things. I think we've got to identify ways and plans where people can enjoy this province and see the great cultural things. There are many in Athabasca that haven't even been developed at this point, and I think that's something that should be done. I intend to push very hard to do that.

A final closing comment I'll make is that I don't think I necessarily need more money. I'd like more money in my department, but I think I can maximize the dollars that we have and prove that we deserve the money we're getting, and we'll see tourism revenues increase.

Thank you, Mr. Chairman.

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

[Motion carried]

[Mr. Speaker in the Chair]

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

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? So ordered.

MR. CRAWFORD: Mr. Speaker, the Assembly will be in Committee of Supply this evening at 8, so I move that the Assembly now adjourn until the Committee of Supply rises and reports.

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