

## LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, March 28, 1988 8:00 p.m.**

Date: 88/03/28

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

head: **COMMITTEE OF SUPPLY**

[Mr. Gogo in the Chair]

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

**Department of Advanced Education**

MR. CHAIRMAN: The government has called the Department of Advanced Education to present its estimates tonight. As hon. members know, only a member of Executive Council may present an item within this House for expenditure of public funds. We have the Hon. Dave Russell, the Minister of Advanced Education, with us. Before I call on the hon. minister, perhaps we should quickly review the way we've dealt with this in the past. It seems to have worked satisfactorily.

Standing Orders apply. A member may speak as often as he or she wishes, no more than 30 minutes at a time; however, recognizing the limitations, members may wish to put questions to the ministers as opposed to making speeches. That's the member's prerogative. The minister may choose to answer or not answer. The minister may wait and take all the comments and then respond at once or respond individually. That's the system we've employed in the past, and it seemed to have worked satisfactorily.

Any members have any questions before we proceed?

Hon. minister, do you have any opening comments to the Committee of Supply?

MR. RUSSELL: Thank you, Mr. Chairman, I do. Because of the interest in the budget this year and the way in which priorities were established, I want to emphasize a couple of things, good things about the advanced education system here in Alberta. I don't know if any of you had the chance to look at the summary sheet in the front of last year's annual report, but there are some very interesting statistics there which show you in a nutshell the nature of the system that we're being asked to support for another year by way of approximately another billion dollars of investment of public funds.

It starts out by saying that last year about 35,000 young Albertans received about \$9.5 million worth of funding through the Heritage Scholarship Fund, which brings us right up to the \$50 million mark: just an incredible record for any province. We've got approximately 100,000 young Albertans in the system. Last year 57,000 students received aid through the Students Finance Board in excess of \$100 million, around \$110 million.

Here's a surprising thing, though. We had over 350,000 adult Albertans back in continuing education, noncredit courses. That's approximately 25 percent of the population of Alberta over the age of 18 back in the postsecondary system for some kind of continuing education enrichment or just for the sheer pleasure of it. In addition to all of this, we have about another 21,000 students in a variety of private vocational schools taking everything from hairdressing to computer sciences to secretarial

courses.

So it's quite a system. It's made up of four really good universities, one of them a distance learning centre that doesn't have a student on campus but is rapidly establishing an international reputation.

I've described some of the numbers, and I've said I'm going to ask the hon. members to approve roughly \$1 billion to keep this system going for another year. In examining the budget, members will notice that vote 1, Departmental Support Services, is down, and that's quite interesting. If you go through the summary, the frontispiece in the budget document itself, you'll see that although the grants to hospitals and education and community health and municipal governments are up, generally the sort of straight line departments of government are down. Furthermore, you'll see that department support vote in all cases is down. So there's a real effort being made to lower the costs of government to bring about efficiencies and to try and provide ongoing services with fewer people and less administrative overhead.

This is the second year in a row that that objective and that target has been a part of our budget, and I think it's worthy of mention because not many governments are able to do that. Last year this one actually brought in a smaller budget than the previous year, and this year, of course, the increase is very, very small, notwithstanding allowances for growth and increases by way of operating grants and the growth of the province, increased utilization.

Insofar as the Department of Advanced Education is concerned, I know there's already been some public reaction and discussion from some institutions about the 1.5 percent increase in operating grants. And I should say at this point, if you look in your estimates book, it looks as if the numbers are all different, that they go all over the place. But they don't. Every institution in the system is getting exactly the same 1.5 percent increase in its operating budget. The differences accrue because of differences in fiscal years between the college and university systems, differences in supporting new programs and new space, and differences as a result of enrollment growth funding and equity payments as a result of Dr. Dupré's study. But everybody is being treated the same.

I want to make that point, because let us take a typical institution and see what they're getting. They get their base budget from last year. If they've had a newly approved program in effect, they get the extra operating funds that are needed for that. If they have new space that has been approved and the space has what we call lights-on money required, that basic operating funds to support is there. If enrollment has gone up, the enrollment growth from the previous fiscal year is built into the budget and will be adjusted again when we know what their enrollment is this fall. If there is money that Dr. Dupré recognized or identified because of some inequities in the system, that is in for the full fiscal year. You'll recall that we had it in for the quarter of the last fiscal year; after Dr. Dupré submitted his report in the fall, we were able to pick those differences up for the last three months of the fiscal year. So that's built in. So everybody gets that plus that 1.5 percent increase in operating grant. And frankly, I don't think that's bad in this time of restraint and provincial deficit budgets, that we're able to recognize those things.

Furthermore, in a special situation like the case of the University of Alberta, who have decided to put a cap on enrollment: again, it was the province that picked up the price of that decision. So there's an extra \$1.5 million to deal with accessibility

for northern Alberta students being able to take university transfer courses at Grant MacEwan College and not be denied that access to the system.

One thing I am concerned about, and it's in there, but it comes about as a choice of what we call formula funding. Now, Alberta is one of the few provinces -- I think there are only two of them across the country -- that have this formula funding built into the operating grants of the institution. The formula funding is to give the institutions, really, depreciation money to use for the purchase of new equipment, the renovation of space, or the maintenance and repair of grounds. Last year there was a significant cut in that element in their votes. We said to them: "Well, you can manage for a year or two. Just make some tougher choices." And that vote has been cut again, and the institutions will be complaining about it. But those of you who have visited our institutional campuses, I think, will realize that they're generally pretty well kept, well furnished, and well maintained, and we can probably get through this period with going through another year or two of that cut. But that is a way down.

It's down because we had to make a choice. After the global amount for the budget was set, the department budget was set, and the operating grants were set at 1.5 percent. The only flexibility left was: do you put money into the formula funding or into the Students Finance Board? And the more you put in one the less went in the other. We put a substantial increase, about 9.6 percent, into the Students Finance Board. We have evidence that that's going to be needed for a variety of reasons: increasing enrollment, differing needs because of the courses the students are taking and the costs of them, and the ability for students in some parts of the province to achieve full- or part-time employment. So we made that choice, but that's why that one particular vote is down.

Talking about student finance, I should explain a little bit about the publicity there's been over tuition fee increases. Last year you'll recall that the government permitted the institutions to increase student tuition fees a maximum of 10 percent, and they all did that. This year the cap was established at 3 percent. So there's a 13 percent increase in student tuitions over two years, and our collective judgment is that that was a reasonable figure. I think that if it had been just up to me, I'd have tried to go for a bit more, but that's the way the decision was made, to come down with that figure. I think that's been well received by the students; the administration in some institutions are saying that it should have been more, or else they're facing deficit budgets.

I'm going to take a moment out just to explain to you what amount of money is actually involved in that difference in tuition fees, so we can put this thing in the right proportion. But in doing so, I just want to bring to members' attention a case history of the University of Calgary, because it's been the pacesetter for settlements. On January 8 they were told that their increase in operating grants would be 1.5 percent; the whole field was told that. Up until then the institutions didn't know whether they'd be getting zero or another minus figure, as in the previous year, or what it might be. So January 8 they got 1.5 percent. You recall that February 5 the University of Alberta nurses settled for 4 percent, and February 12, a week later, the University of Calgary settled with their academic staff for something approaching 6 percent, when you look at cost of living plus merit increases. So they settled for that and really established the benchmark for the system in doing so. And March 15, of course, a month later, the tuition fee increase was announced.

I took time to go through that little chronology because the concern is being expressed that the higher tuition fees were critical in achieving a balanced budget. But just to put that into context: the difference, for example, at the University of Alberta, between a 9 percent tuition fee increase and a 3 percent tuition fee increase is \$1.7 million in a budget in excess of \$220 million. So I find it very difficult to accept the argument put forward by the administration of that university that the tuition fees are the difference between their running a deficit or a balanced budget. In fact, they are entering this year with a deficit budget, although it wasn't planned for last year. On the other hand, the University of Calgary is finishing the year with a surplus in excess of \$1.1 million. Both of those figures are exclusive of special reserves that have been set up for a variety of reasons. I'm mentioning that because I think it's important that members take into account the individual circumstances of specific institutions at the same time as they're looking at the broad background of our own provincial government deficit.

Something that I'm really proud of is the matching endowment and incentive fund. This had an interesting history. You'll recall that my predecessor back in 1980 announced a matching endowment fund. It was called 80 for the '80s. The theory was that the province would put up \$80 million if the public of Alberta would put up \$80 million, and we'd try and reach that target over the decade of the '80s. By 1985 the target had been reached, and the \$80 million of promised provincial money had been met. So my predecessor in 1985 had to announce phase two, the second phase, another \$80 million to carry us through the last half of the decade of the '80s. It was to be budgeted at over 5 years at \$16 million a year. Now, that was a sort of projected cash flow and not entirely possible, because we know these things don't come in evenly.

When we got into our fiscal management plan outlined by the Provincial Treasurer, we stretched that out to eight years at \$10 million a year. Well, members will recall that we had the \$10 million in the budget for last year, the year we're just finishing. Before Christmas we had to pass a special warrant of \$18 million, and about a month ago we passed a second special warrant for another \$21 million. So the net result of that is that in meeting the commitments that the public and corporate sectors of Canada are putting into our postsecondary system, we have nearly reached that target of \$80 million, and the program is scarcely two years old. We're at the \$65 million mark in matching funds, and we're just approaching the second anniversary of that.

There have been some very substantial contributions. Kahanoff Foundation put in \$1 million; the Winspear Chair in accounting, over \$600,000; the future fund endowment over at the University of Calgary has raised over \$1 million: many, many individual and corporate donations here of \$500,000 each. When that matching grant of two to one is put in, it establishes those endowment funds. So that's a really good news story. You should all be proud of it because there's nothing else like it happening in the country. We're pleased that corporations and businesses in other parts of Canada are attracted with their contributions to our system because of that matching element. In the long run, that's going to enrich and improve the postsecondary system in Alberta.

The last thing I wanted to talk about, Mr. Chairman, is the capital portion of the vote. It's up 83 percent this year by way of request, to roughly \$83 million. We tried to do this by making some judgment decisions, looking at the priorities of the various institutions across the province that had the greatest

relative need, looking at geographic distribution, et cetera. And I think we've come up with a pretty good plan. So you'll see some major projects being announced and going forward, and they'll join the others that are on stream. Those who still have a wish list: of course, there are future years to look in that.

Now, how does all of this that I've described stack up on the Canadian scene? And you don't like me to say this, but I'm going to go through it anyway because it's pretty good. To the institutional presidents, the board chairmen, and the professors who come to me I just say, "What would you be doing if you were in Ontario or Manitoba or British Columbia, if you think you're being treated so badly here in Alberta?" We have maintained our place: first in Canada in per capita expenditure on postsecondary education. We have the highest dollar value of sponsored research for full-time faculty members in Canada and also on a per capita basis. We have the highest operating grants by way of support per full-time student for the system of any of the provinces in Canada. If any of you want to get those interprovincial comparison statistics, they're available through Statistics Canada or various postsecondary institutional organizations. But I had to pick out those highlights because so often it's easy to wring our hands and say, "Oh, we're not getting enough, or this is going to happen, or that's going to happen." We forget to look outside our borders and see how well off we are.

So I wanted to close on that, Mr. Chairman, by going through that overview outlining what our plan is, emphasizing our successes, showing how we propose to keep the system going and keep Albertans involved and put people in a good mood for approving that \$1 billion I'm asking for.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Minister. Hon. members, the authority for the program is found on page 24 of the estimates book and the elements book on page 1. The minister has addressed all three votes in his department, so the Chair would entertain comments or questions regarding any of the three votes.

The hon. Member for Edmonton-Mill Woods.

MR. GIBEAULT: Thank you, Mr. Chairman. I'd like to go over a number of the elements within the budget for the Department of Advanced Education. I just want to start with one of the smaller elements of the proposed budget, and that is the minister's salary. Of course, as I mentioned, it is one of the smallest elements in a projected expenditure of a billion dollars, but I think it's worth mentioning because it does set a tone, if you like, or an example for the people within this system.

Page 23 of the main estimates book suggests that the minister's salary will be increased 3.5 percent this year. On page 15 there's an indication that overall Ministers' Salaries and Benefits will be going up 7.6 percent, so perhaps the actual amount is somewhere between those two numbers. I don't suppose that the minister would have been inferring in his comments that his contribution to the system is any more deserving of a raise than those who instruct the students or who perform the support staff services. And if that is, in fact, the case and if he believes that the frontline people who are actually performing the service in our various colleges and technical schools and universities are performing at least as meritorious a service as he is, then perhaps he can explain to the institutions and to the people who work there how they're supposed to make a similar kind of a raise out of the meagre 1.5 percent grant increase.

I'd like to maybe just go on to talk about some of the particular votes there, Mr. Chairman, but before I do that, I guess, let me just leave with the thought that perhaps our postsecondary institutions don't seem to have the ear of the government as well as people like Mr. Pocklington. But to go to the votes specifically, in vote 1 there's a decrease in the overall administration, and we want to commend the minister for that. General Administration is down almost 8 percent. I wonder, under vote 1.0.3, General Administration, we have an indication that it went down 8.3 percent, but since last year's line item there was \$6.25 million and it's now \$3 million, it seems there must be a shift in there somewhere that is significantly different than 8 percent. Perhaps the minister could explain that. In last year's estimates we had vote 1.0.4, Planning and Research, which has been eliminated under the current Departmental Support Services listing, and perhaps the minister could explain to us why that is.

In terms of vote 2, assistance to the further educational institutions of the province, we notice that in vote 2.1, Program Support, we have program development showing an increase of 44 percent, and that sounds interesting. Perhaps the minister could explain why that is and what new initiatives, if any, will be covered under the enhanced expenditure for new programs.

In vote 2.1.7 and 2.1.8, the endowment fund, the minister made some comments about that. I'd like to ask him if these two allocations here for both capital and operating reflect some change in the government's policy, because the allocation for capital has gone down 53 percent, and the allocation in the endowment and incentive fund for operating expenses has increased 220 percent. So my question to the minister would be: has there been a policy shift in his department to try to require or ensure that the institutions take up more responsibility through private donations and solicitations for actual operating expenses? Because I was under the impression that basic operating expenses were going to be the responsibility entirely of the provincial government and that the initial plan for the endowment fund was for additional capital investments or projects that might not otherwise be funded. I'd like the minister to clarify if that represents a change in policy, because the budget allocations would certainly suggest that.

In terms of budget item 2.1.10, Innovative Projects, there's a decline of 50 percent there. Now, this comes on top, Mr. Chairman, of last year's cut of 50 percent, and I suggest that that would mean that there are obviously going to be few, if any, new innovative ideas being supported by the department this year. Perhaps the minister could comment on what he's going to be able to fund on the meagre amount that has been left there, some \$191,000.

In terms of 2.1.11, Other Program Support, there's an increase there of 95 percent, almost doubled. Perhaps the minister could explain for us just what is represented by that particular substantial change in budget.

Now, in going through the various colleges, technical institutes, and universities, the minister has indicated that some of those amounts reflect the allocations that have been recommended to deal with inequities by Dr. Dupré in his report. Since the budget figures that are before us really are only summary figures -- there's no way of determining the 1.5 percent increase from Dr. Dupré's recommended adjustments from other enhancements that may be in there -- perhaps the minister can inform us as to whether or not all of the recommendations that Dr. Dupré has recommended, in terms of alleviating those inequities, have been met in the '88-89 budget. If not, what are the

minister's plans for the following years to make sure that all of the recommendations are going to be implemented? I'm assuming here, Mr. Chairman, that the minister does accept all of Dr. Dupré's recommendations. If he doesn't, perhaps he could tell us which ones he's not accepting.

In vote 2.2 we're talking principally about the provincially administered institutions, the AVCs, and I would put in a couple of questions to the minister. The budget numbers there are pretty clear on the 1.5 percent increase, and I guess that means that the AVCs which have very long waiting lists for academic upgrading, for English as a Second Language, and other programs are going to continue to have those long waiting lists. I guess I'd like to know from the minister what monitoring he's doing of that and how long is too long for students in this province for programs of that nature. The AVCs, in particular, generally are providing a service to students who have not been able to benefit from the more traditional institutional program offerings, and when I see that there has been nothing more than 1.5 percent, I'm somewhat concerned that not only are there going to be, shall we say, the ordinary reductions, since 1.5 percent doesn't meet inflation this year, which is running in the neighbourhood of 4 percent or more, but on top of that, there will probably be even longer waiting lists for those programs that I mentioned.

In terms of the private colleges, I'd like to ask the minister if he could perhaps give us some indication of the increases beyond 1.5 percent for Camrose Lutheran College, the Canadian Union College and, in particular, the King's College which receives, according to the budget figures before us, 10 percent more money in '88-89. Perhaps that has something to do with increased university transfer courses, Mr. Chairman, but I'd appreciate the minister's explanation for that.

Vote 2.4 talks about the technical institutes, Mr. Chairman, and I see there that we're looking at NAIT and SAIT with only modest adjustments this year, less than a percent in both cases; NAIT, only .4 percent. I'd like the minister to explain to us if he would: does this represent a reduced emphasis on technical training in this current budget year, at the expense perhaps of other program areas? Or does this reflect perhaps, in addition or differently, the fact that the federal government is reducing its level of support for technical training?

I'm wondering as well if the minister might be able to tell us if those numbers represent some outcomes that are involved in the whole question of apprenticeship training that's under review through his colleague the Minister of Career Development and Employment, because that is an area that concerns many of us. I've heard rumours that this report by the Minister of Advanced Education's colleague is going to be looking at reducing substantially the number of trades that will qualify for apprenticeship training. Is that part of the explanation for the reduction in support for the technical institutes? That would be interesting to know, Mr. Chairman.

In terms of the public colleges, the minister mentioned -- and I'm pleased he's made an allocation there of resources for additional students at Grant MacEwan College to take university transfer courses, because as we've heard already, the University of Alberta has increased their entrance requirement to 70 percent. The University of Calgary has introduced an enrollment capping provision. The two together have the basic effect of having less people entering the university system. I understand that the U of A's decision is going to mean something like 700 less people being able to get into the U of A this coming year, and I understand as well that the allocation the minister is

proposing for Grant MacEwan will allow somewhere in the neighbourhood of 350 extra students for university transfer. That sounds like it's going to be about half the need. I wonder if the minister has any ideas for the other 350 students and what alternatives they might have.

While I'm talking about that, Mr. Chairman, I wonder if the minister could advise us as well, having made an adjustment for university transfer students to take programs at Grant MacEwan College in northern Alberta, what he would be proposing for students who are going to be turned away from the University of Calgary in southern Alberta. Is he going to be looking at an alternative or a similar budget allocation for Mount Royal College? There is a number of people in southern Alberta who are certainly very concerned about the reduced opportunities that will be available for the young people of southern Alberta through the University of Calgary. We need to know if the minister and the department are planning some appropriate alternatives through Mount Royal College or elsewhere, as they're making some efforts to do in northern Alberta.

In terms of talking about the public colleges, I'd also like to ask the minister: what is the status of the amendments to the Colleges Act that I understand he's been circulating recently? One of those provisions was going to reduce student representation on academic councils, and in the case of student and faculty representatives it changed the way those representatives were chosen for the academic councils. I'd like to ask the minister if he can advise us when those amendments will be presented to the House, if in fact they are going to be, and if in fact he might not use that opportunity when he's putting forward amendments to the Colleges Act to look at responding to the requests which have been made to him by the Alberta Colleges and Institutes Faculties Association to strengthen the roles of academic councils to make them a more integral part of the decision-making process of the colleges, as well as to look at this whole question of academic staff designation, which has been brought to his attention for some time now.

I'd also like to ask if he's been having some discussions with his colleague the Provincial Treasurer about a long-standing concern of the college and technical institute instructors of this province regarding their pension plan and the inadequacies they perceive in regards to it.

To go on to the question of the universities of the province, Mr. Chairman, we look at Athabasca University getting an 11.5 percent increase in their budget this year. That looks encouraging, but let's not forget that they had a decrease of almost that amount in last year's budget, so it's hard to be too excited about that particular number. In terms of the University of Alberta we're looking at, according to the figures here, a 2.5 percent adjustment. But really I think we need to look as well at vote 2.8.2, which is the Capital Formula Funding, because you can see there -- and the minister referred to it -- a reduction of 24 percent in that particular area for the specific purpose of renovations, furnishings and equipment, updating, and so on. And when you look at the increase that the University of Alberta, for example, has got [2.5] percent, they're looking at \$3.18 million, but the decrease they're going to be getting on the Capital Formula Funding item is \$3.23 million. So really the U of A is going to be looking at getting significantly less money overall when all is said and done.

So I think that to suggest there's a 2.5 percent increase for the U of A, or 1.5 percent plus a few extras, is really very misleading. This Capital Formula Funding, let's not forget, is not just minus 24 percent this year; it was minus 30 percent last

year. In fact, in terms of the U of A, when they look at their Capital Formula Funding provisions for the last couple of years, they had in '85-86 an allocation of \$10.6 million; in '88-89 that's barely \$5 million. So four budget years later we're really only looking at 46 percent of the amount we had in '85-86. And make no mistake about this, Mr. Chairman, this puts a tremendous strain on the U of A, not to mention the other institutions, to replace outdated equipment.

Now, I understand that the guideline the department uses is to have something like 3.5 percent of the replacement value of the items in their inventory. You know, at that rate it would take 30 years to replace a capital item. Now, there are many areas, and computer equipment is perhaps a good example of it -- you couldn't imagine a computer worth even mentioning 30 years ago, and there are all kinds of equipment like that. To look at a 30-year capital replacement time line is really totally unrealistic, particularly when the department itself looks at removing items from inventory after a 10-year period. So this particular allocation, Mr. Chairman, is really going to create a very grave hardship on the university sector as well as the other colleges and technical institutes.

In terms of the university funding, but also for the others of course, I'd like to just mention again that this whole question of funding and the uncertainty of funding from year to year puts a very difficult situation for the universities to deal with because they cannot plan from year to year with any certainty. It makes planning very difficult indeed, particularly when you have other factors that are changing at the same time. So it creates among the people in the postsecondary sector a whole sense of job insecurity. There's more and more a trend towards part-time and contract staff, term positions without any benefits, and generally it contributes to a morale problem that is significant.

You know, the government likes to tell us that we're number one and that they like to believe in the marketplace and competition and so on. Well, we are competing, and we're competing with institutions in Ontario, for example, that are getting substantially larger increases than what Alberta institutions have had for the last couple of years. A number of our faculty people are going to the east, and that's unfortunate, because the government's throne speech itself talked about the idea of commitment to excellence in education and the minister talked about how we're number one in a number of factors. Mr. Chairman, I'm proud of that, and I commend the government for what they've done in the past to build the system up, but I hope that just because we're number one now, that's not going to be an excuse for us to start drifting down towards the average, towards a mediocrity.

We've got a good system. There are some weaknesses and strains, some serious ones, that are being shown now, and I'd like to get some idea from the minister what sort of a commitment he and his government can make to postsecondary education in this province. Is it going to mean that we're going to be looking at more cuts next year? Now we're getting a little closer to an election. Does that mean there'll be a few more goodies next year? We can't really operate a proper postsecondary educational system on this up-and-down basis, Mr. Chairman. As I said, we're competing with Ontario, with the States, and with other provinces that are trying to enhance and upgrade their system in a serious and substantial way, and I would appreciate the minister's comments on what plans he may be contemplating to ensure that Alberta stays number one and that we don't simply allow ourselves to become complacent and look at drifting downwards towards the average. I don't think

that's really what we want in Alberta.

I'd like to maybe talk a little bit now, Mr. Chairman, about the whole area of the student financial assistance program. Now, we see here that basically, overall, we've got a 9.5 percent increase. I'm glad to see that, but let's not forget that there was almost the same cut last year, so we've really just replaced what happened last year. We're no better in terms of inflation than where we were two years ago.

We notice here that Fellowships and Scholarships have increased 23 percent. We're glad to see that, but let's not forget again that last year there was a cut in that budget item of 18 percent. We see in the loan remissions that there is a 6 percent decrease in that particular item. It would be interesting if the minister could explain why that is. Does that have something to relate to the \$1,000 exemption policy that was put into place last year? The Implementation of Guarantees item we see is up 20 percent. Let's not forget that that was down 20 percent last year. Perhaps the minister could give us some explanation of that particular item.

Another item I want to mention to the minister and see if after a year he's given it any more thought; that's the Charles Noble award for student leadership. I mentioned this last year, Mr. Chairman. You know, it's nice to get a plaque and a certificate, but that doesn't buy much groceries, and it doesn't pay the rent. I'd like to know if the minister, after a year of thinking about this, has given any more thought to the idea of enhancing the Charles Noble award for student leadership with cash so that it's really something of substance and not merely symbolism.

Now, in talking about student financial assistance, we can't really talk about that in isolation because assistance to students has to be taken into consideration with their incomes in the holistic sort of picture. I don't know how many times we've had to raise this subject before, but it still hasn't gotten any action. That's the whole question of the minimum wage, because so many students are working either at the minimum wage or just barely above it and that hasn't been increased since 1981, some seven years. Given the increase in the minister's salary of at least 3.5 percent this year, I'm wondering if he can tell us if he's been, on behalf of the students that he's the minister for, applying any pressure to his colleagues in the Department of Labour to raise the shamefully low minimum wage in this province, which is, as you know now -- to talk about being number one, Mr. Chairman, we are number one there, the lowest in Canada, behind Newfoundland and other poor provinces of Atlantic Canada.

Another thing I have to say in terms of student financial assistance is the whole question of student representation on the board. Currently two student members on that board are appointed by the government. I'm wondering if the minister might be inclined to be receptive to the idea that rather than appointing perhaps friendly people, who may even be members of the PC youth -- who knows? Rather than doing it that way, wouldn't it have a whole lot more integrity if the representative organizations of students of this province -- and I'm talking about for university students, the [Council] of Alberta University Students, and for the college and technical school students, ACTISEC, the Alberta College and Technical Institute Student Executive Council -- would each select someone to represent their interests on the Students Finance Board? I would suspect that that would be much more effective in serving the interests of students in this province.

Now, Mr. Chairman, I'd like to make a couple of comments about the whole area of private schools. They're not a budget

item as such, but with the collapse with of CCI certainly and the amounts the government has sunk into bailing out CCI, we really need to have some indication from the government of what their policy is in this whole area of private schools: if they're going to be introducing standards for the qualification of instructors in private schools, what the policy is for -- you know, if others fail, are we just going to have more bailouts with public money? What kind of review, after the failure of CCI, can the government assure us is taking place so that both students and the public and parents can have some confidence that private schools are going to be properly administered, that there'll be some monitoring of their performance, that the quality of education will be comparable to what they could get elsewhere.

With that I'd like to conclude my comments and give an opportunity to my colleagues from Edmonton-Strathcona, who would like to talk a little bit more about the U of A, and from Edmonton-Centre, who wants to talk a little bit more about AVCs and nursing research education, and others, because it's an important area. The universities, colleges, technical schools, and the AVCs are an essential component to the future of this province, Mr. Chairman. We've talked about the diversification of our economy; these institutions are going to play a key role there. The budgeting information that has been presented to us, which basically in a nutshell has been this 1.5 percent adjustment, does not inspire confidence in many of us. I'm going to look forward to the kinds of answers that the minister may have on the questions I've raised.

MR. CHAIRMAN: Thank you, hon. member.

Hon. Member for Pincher Creek-Crowsnest, followed by Calgary-Buffalo, followed by Ponoka-Rimbey, followed by Edmonton-Strathcona. Hon. Member for Pincher Creek-Crowsnest.

MR. BRADLEY: Well, Mr. Chairman, I'd like to congratulate the minister for his overview and very insightful comments. I'd also like to say that it was received with enthusiasm in southern Alberta, the announcement of the expansion to the Lethbridge Community College with their new gymnasium facility. That was just received one hundred percent by the people in southern Alberta; it's a very badly needed facility.

I wanted to ask the minister a question with regards to the consideration by the department for funding for leasehold improvements for the Chinook Educational Consortium to move into the vacated nursing home complex in the Crowsnest Pass, the old nursing home, if the minister might be able to update the Assembly with regards to that consideration by his department. The minister toured there last fall; I'm sure he's well aware of the proposal. The Crowsnest Pass is part of the Chinook Educational Consortium; it's doing an excellent job, as the minister elaborated on, in terms of providing postsecondary opportunities to rural Albertans. They're looking at an expansion in their requirements for space.

There's also a proposal for a conservatory, an extension to the University of Lethbridge, in terms of a fine arts program in the summer. The minister may be well aware that the Crowsnest Pass is home of the Crowsnest Pass Symphony Orchestra, Alberta's oldest amateur orchestra. There's a lot of cultural and musical involvement in the community and a lot of interest in seeing the nursing home complex preserved for postsecondary opportunities in the future.

MR. CHAIRMAN: Hon. Member for Calgary-Buffalo, fol-

lowed by Ponoka-Rimbey.

MR. CHUMIR: Thank you, Mr. Chairman. I take the liberty of welcoming myself in my debut as my party's critic for Advanced Education. [some applause] Thank you.

I intend to make some comments and ask some questions. The first question I would like to ask of the minister is: why isn't the information which is provided in the budget documents in a more helpful form? A good example is that raised by the hon. Member for Edmonton-Mill Woods in which he referred to the figures relating to the increases for the postsecondary institutions, some of which exceed 1.5 percent. Why do we not have a breakdown as to what portion of the figures represent increases as a result of the Dupré recommendations? What represents new programs? Why can't these be set out, Mr. Minister? Obviously, the answer is that they can be set out but they aren't set out because it isn't a priority. I think it really should be, as it would be very helpful to the members of this House.

Now, a second question that I would like to get out of the way at this moment -- and it's a question born of experience as to what form answers are received in in this House. That question is: would the minister please, if written answers are given to any questions asked by members in this House, arrange to have a copy of any written response to any other members of this House forwarded to myself as well? For example, many of the questions asked by the Member for Edmonton-Mill Woods were also on my agenda, and without wanting to focus on any specifics, I do feel compelled to mention some of the very broad concerns which have been expressed by members of college faculties with respect to their pension plans, who is included in their collective agreements, and concerns with respect to representation on college boards. So I am particularly interested in those.

Now, in terms of overall comments, I would like to observe that the past year and the budget reflect some good news and some bad news. The good news, unfortunately, is somewhat skinny, but I would like to give to the minister and the government some credit for their initiative in establishing the endowment fund. I think endowments are the strength of many of the first-class American universities. The government program is a good way of encouraging this healthy tradition in Canada. There are undoubtedly means whereby that particular program could be improved, but the concept is a good one. It provides a good legacy for the future, and my commendations for that.

Now, the second commendation, second piece of good news, relates to the commissioning and the receipt of the Dupré report with respect to equity of financing between institutions. This is an initiative which is long overdue. It's hard to understand why the government did not address the complaints which were addressed by this report much earlier, since they go back many years. However, it's better late than never. Not everybody is happy with the result, but the report was independent, it was objective, and it did clear the air. Unfortunately, the report was too limited in scope. It dealt only with equity between institutions and not whether the global or absolute level of funding is appropriate to the needs of the institutions.

Now the concerns I have in the bad news category, Mr. Chairman. The continuing theme of the comments with respect to the Dupré report which I've been trying to communicate is that we badly need an independent, global, Dupré-like review of the funding of our whole system, in a form which raises for public debate the philosophical and practical issues which are being faced by advanced education. The system of funding in our

province over the last 15 years has unfortunately developed in a somewhat irrational manner. The minister described it well in his comments to this House in presenting the budget last year. As I understood it, it was tantamount to sitting around the cabinet table and congratulating each other on being such good managers as to have arranged the oil and gas largess which this province enjoyed, at which point there was a decision with respect to a number or a percentage increase or a global increase or a project, divorced from any overall discipline or plan with respect to where we were going in the realm of advanced education. As a result, students of the system point out that our institutions have grown up in a topsy-turvy and an unplanned manner throughout the province, with many institutions with operating costs built in.

The enrollment growth, unfortunately, as a significant feature in funding, lost favour in the mid/late 1970s. This has had dramatic impact, particularly in the last four or five years as budget cuts and freezes have coincided with rapidly increasing enrollment at many institutions. This increase, of course, is a by-product of our economic difficulties, and we see cuts being made at the very time when the needs became the greatest.

Now, funding has, as we're all aware, been badly outpaced by inflation over the past five years, and the result has been a steady and serious decline in the quality of education in many institutions. Yes, the funding is still high in comparative terms, and the Member for Edmonton-Mill Woods complimented the government for the funding largess in the past. But this largess and these statistics are an answer only if we ignore the context in which they appear, and that context is a context of an unplanned and an irrational system. We have high global costs and expenditures but no real understanding of how this translates into quality at the teaching level. All we can see are cuts at this particular point in time in the quality of education and a clearly declining priority for higher education. Indeed, as the minister is well aware, the percentage of expenditures on advanced education in this province has declined from 10.2 percent of all budgetary expenditures in 1979/80, when they had true priority, to 8.5 percent in this budget. We find, unfortunately, a total absence of any contextual explanation, either in the budget or in the minister's comments, of where we are going and why we are going there.

We see advanced education being described as the key to our future. I and, I believe, all thoughtful Albertans agree with this. But why, then, if this is the case, Mr. Minister, is Advanced Education allocated only a 1.5 percent increase in operating costs after a 3 percent cut in such grants last year? If this is key, what is poor cousin? That is why I would submit, Mr. Minister, as a very important priority for Advanced Education in this province, that we need a Dupré-like review of our system, the whole system -- the rationality of it, the funding of it -- so that we can have a true public debate and input into this fundamentally important area which has been neglected for so long.

In fact, I believe that what we can detect between the lines in the government's actions in the last few years is a deliberate policy on the part of the government to force universities to establish enrollment limitations and thereby to channel the fortunate few students who have other alternatives into the college system. I believe this is a deliberate intention of the government. It's shown in the recent throne speech announcements and in the budgetary provisions relating to Grant MacEwan College. It is reflected in the stated increase in Grant MacEwan funding of \$1.5 million to cover the enrollment limitations and cuts at the University of Alberta. I might ask the minister that if

it is this -- if I am incorrect in my assumption that this is a deliberate policy on the part of the government and if the \$1.5 million is a rather global attempt to cover increased enrollment, might I inquire why the minister did not just allocate that amount to the University of Alberta?

Now, this policy of limiting enrollment at our universities is an unstated policy, but it's a very clear and, in my view, an indisputable one. Now, let me add for fairness that it may be a sensible policy if we were to look at it closely, but unfortunately we're left without explanation; we're left without rationale; we're left without any articulation of direction. I would accordingly like to ask whether the minister would clarify for the people of Alberta whether, in fact, it is the government's policy to implement policies which would cap enrollment in our universities through these funding limitations? Is it, in fact, your government's policy, Mr. Minister, to seek to cap enrollments at our universities?

Another question I might ask is: what other directions does the minister wish to see the universities moving? Will the University of Alberta, as it has proposed, become more focused on graduate studies? Will there be greater specialization and rationalization? Does the minister's department have a role and a policy with respect to those important directional decisions?

Now, moving on very briefly, Mr. Chairman, to a few more specific concerns, I would like to raise the issue of the capital budgeting for Advanced Education. I note that this budget has been cut by over 25 percent this year. This is the second year in a row that it has been cut. Funding for capital renewal is about 55 percent of what it was two years ago, approximately \$40 million less, and I wonder if the minister might advise, pray tell, how our institutions are to replace necessary equipment and furnishings. Are we to watch them crumble before our very eyes? What rationale led to this broadsword approach? Were we in fact wasting \$40 million two years ago? Now, I must say that I listened to the minister's comments as to what he indicated, at least in my perception, was the methodology, and I listened with some shock. I understood the methodology to be based on a decision as to a global amount and then a prioritizing with respect to that global amount giving, to the matter of equipping, the leftovers, regardless of what the need was with respect to those leftovers, totally ignoring the fact that the government had established these institutions. It built the buildings and had set them up, had put them in place, and has a responsibility to see that they're maintained.

Mount Royal College, Mr. Chairman, has also expressed some concern with respect to its scheme in the advanced education universe. It has recently completed an expansion of its physical plant. It has room for many more students. Many more students wish to enter that institution, but it has inadequate funding to accommodate them. It has been allocated a 2.9 percent increase, presumably the excess as they relate it to the findings of the Dupré report, but that excess does not in any way even begin to meet the needs. I wonder whether you might advise, Mr. Minister: what are you telling the college with respect to their abilities to fund programs for the expansion which has just been completed, and what do I tell them that you told me to tell them?

Now, the University of Lethbridge has been suffering badly in recent years, Mr. Minister. It is a smaller specialty school. It has higher costs. I was particularly shocked to hear that last year it had closed its archives. This is, I believe, a symbolic slap in the face to an institution of higher learning dedicated to preserving our culture. It's perhaps in a less immediately con-

crete form than the many program cuts and lost jobs, but it has a certain peculiar, penetrating impact. The university is still reeling. Yes, the grants are up 5.4 percent. There's an unidentified Dupré factor in there, but we can certainly research that. But this barely meets inflation and certainly does not restore lost archives. Now, I note with a degree of mixed pleasure and concern that some \$25 million is being spent on a new gymnasium at Lethbridge College and some \$10 million on a new students' union building at the University of Lethbridge. Needed facilities, yes, but I detect the old mode, the old habits of money for buildings and not for programs.

Scholars in our institutions, Mr. Chairman, in our universities and our colleges and indeed in our vocational institutions are concerned about the shortage of funds for research. The Dupré report has performed a number of valuable functions, one of which is the nature to which it pointed out the obvious to anybody involved in research that the structural support necessary for research is expensive and all too often ignored. It has been suggested to me by those who are intimately involved in the field of advanced education, who care about it, who have a feel for it, that we desperately need to establish a system of research scholarships to help fund both the direct research and the related support costs. I think this idea is very worthy of serious consideration, and I wonder whether the minister would comment.

I earlier complimented the government on the endowment fund initiative. I wonder whether we might have some comment with respect to where we're going in the future, what the long-term plan is. Are we going to see another \$80 million, which would be healthy? I note that the budgeted amount for the capital portion of the Endowment and Incentive Fund is down over 53 percent. The operating portion has been increased in a high percentage but not in a very large sum globally. I'm wondering whether the minister might comment on the interrelationship between that larger question and those specific budget items.

In terms of student funding, the minister indicated that he would have preferred to have seen a greater amount allocated to that area. The amount currently stands at the same level it stood at some two years ago. I wonder whether the minister could comment about his perception as to what this means with respect to the capability of our students in this province to access advanced education.

I also wonder whether or not the minister might advise in answers that are very rapidly being left in many cases only to written form as a result of volume and time parameters with respect to questions. I wonder if the minister might also advise with respect to what he perceives to be the role of his department in dealing with the problem of illiteracy and whether he might comment as to the degree of priority this problem enjoys in his own mind and in the mind, collectively, of his government and his department. We in this country are happily becoming more and more aware of the problems and the cost both to society and to the individuals who are plagued by illiteracy. I know that the Department of Advanced Education is represented on an interdepartmental committee relating to the illiteracy problem, and I wonder whether the minister might advise as to where he sees us going, where he would like to see us going, and how we're going to get there.

Finally, Mr. Chairman, I would like to ask the minister if he might comment and give us his opinion as to the importance of the role of national co-ordination of education issues. We had a conference in Saskatoon on higher education some six months ago. One of the very highest priorities being discussed at that point in time was the need for some co-ordination amongst the

departments of education, the ministers of education, in this country. This is what very thoughtful critics of our national education system, in business and industry, academically and elsewhere, have been saying for some period of time. We live in a country where the constitutional allocation of powers vesting in the provinces the authority over education has made it difficult to develop a co-ordinated plan. We are now in an era where more than ever it is important that we have the very finest education system possible. The federal government has in a number of ways, through some of its research initiatives, recent allocations of funds, indicated that it wishes to target centres of excellence. This and other issues are ones which require the greatest degree of co-operation and co-ordination at the provincial level.

I know that there's a tremendous amount of disagreement across the country on this particular issue. We need some guidance. This is an issue that has to be discussed publicly. The pros and cons, what's at stake, have to be dealt with. And the minister is in the unique position of having heard the arguments, hopefully having thought about them -- in fact, I'm sure he's thought about them -- and I think he would provide a valuable service to this country if he initiated a bit of debate in this province on that very important topic.

With that I close. Thank you.

MR. CHAIRMAN: The hon. Member for Ponoka-Rimbey, followed by Edmonton-Strathcona.

MR. JONSON: Mr. Chairman, I'd like to begin by referring to a topic which seems to be receiving somewhat mixed reviews by members of the Assembly this evening, and that is the matter of capital projects. On the one hand, there is concern that this is being cut back too dramatically at the university level, and then we hear remarks about the government overemphasizing these things.

[Mr. Musgreave in the Chair]

I would like to commend the minister for having in this year's budget two capital projects which have long been needed within central Alberta. First of all, I'd like to refer you to the continued commitment of dollars to Olds College. It is something that is certainly needed. It was long sought, you will recall, Mr. Chairman, in the Assembly as a priority for the farming industry in central Alberta, and I see that that is progressing.

Secondly, I'd like to note the commitment of dollars to the rebuilding of the school of nursing at Alberta Hospital Ponoka. I think that if hon. members had a chance to visit the existing facility, there would be no argument with this very much needed commitment of funds to what is support for an ongoing and very good and viable psychiatric nursing training program. So those two projects are much needed and much appreciated.

I would also just like to refer to a development taking place at Hobbema, which is the redevelopment, I might say, of programs and the very thriving situation Muskwachees cultural college is now in at the present time. They have upgrading programs, skill development, secretarial programs, and of course a very heavy emphasis on the development of Indian culture and appreciation of history, along with business management programs, and they're moving into negotiations for recognition more in the way of university transfer programs. I mention that, Mr. Chairman, because I believe that in the minister's remarks he referred to the possibility of new programs, new centres



within the province, and some looking for or inviting of creative and well-thought-out initiatives in the field of advanced education.

Looking at the votes, Mr. Chairman, I'd like to first of all commend the minister for the restraint on the support services section of the budget -- I think this sets a good example for the departments of government -- and also commend him for the substantial increase in student assistance.

Mr. Chairman, several previous speakers have referred to the Dupré report. I note that I think everyone has agreed that it was a good idea and a good report. However, there seems to be some concern about its results. And I notice that we have now come into using two different terms. We put the Dupré report on the head, so to speak, by saying that it certainly addressed the equity factor in postsecondary funding, but it wasn't adequate in terms of equality or adequacy. I think "adequacy" is the word that's underlined now. Certainly postsecondary institutions, particularly the universities, could use more money. But I would like to ask the minister if it's possible for him in his reply to address a question such as: do these estimates reflect the addition of any significant new university programs in the province? And do the estimates reflect any significant cancellation of programs? Because certainly, Mr. Chairman, in the rapidly evolving society we have right now, universities and colleges must be looking at some of their programs. Certainly enrollments cannot be staying viable in all of them, and it would seem to me that as they come forward with their requests for significant additional amounts of funds, they should be able to illustrate that that kind of ongoing assessment is taking place.

Another question I would have for the minister would apply to another factor which I think is important in looking at the adequacy of university support. That is: it's often discussed, but is any progress reflected in these estimates on the rationalization of particularly the very highly specialized and expensive programs we have among the four universities of the province, particularly between the universities of Calgary and Alberta?

One area of concern I have, Mr. Chairman, was focused upon in the Dupré report. This was, particularly in the case of the University of Calgary, the need that was identified there for the associated costs of research to be recognized and adequately funded. I do not have the exact amount at my fingertips, but I believe there was a recommendation in the report that a significant amount of additional money go to the University of Calgary to recognize this factor as far as their research program was concerned. I wonder, Mr. Chairman, if that money has been allocated to the University of Calgary to meet that particular need.

I would like to commend the minister and his department for the leadership and initiative taken in moving a university transfer program to Grant MacEwan. It's very much needed in the Edmonton area. Calgary has had Mount Royal College for some time, and of course it has gone through a considerable amount of development recently, but there has not been that opportunity, that type of college service to the university, here in the city of Edmonton. I hope, however, Mr. Chairman, that in taking on this major responsibility, Grant MacEwan College does not lose its characteristic as a truly community-serving college. I think it has done very well in developing programs that meet the Edmonton and district educational needs. We will certainly wish them well with this new challenge as far as university transfer education is concerned.

The other topic I want to raise, Mr. Chairman, is that I wonder if the minister would identify in his estimates what I under-

stand to be a number of different programs which deal with this very major problem of adult literacy or illiteracy, depending upon how you want to speak of it. It is my understanding that certainly the Alberta vocational centres provide a great deal in the way of upgrading service, but I believe there are programs through consortia and so forth that also bear upon this very important issue. I would like the minister, if he might, to give us some account of the total magnitude of the effort being made in the province in this area.

With those remarks, Mr. Chairman, I conclude.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Strathcona.

MR. WRIGHT: Thank you, Mr. Chairman. The minister said that he would tell us some figures that we would complain about doubtless, because he tells us these things every year, and I'm sure they're correct. I haven't heard that we've complained about it, but I guess he thinks we don't like hearing that in this province education is funded better than in other provinces. But I like hearing that, because I'm proud of it.

But it doesn't alter the fact that there have been constrictions in both the capital funding and the operations funding in the last few years, which have borne hard on the universities. It's all very well to say that the funding is at a high level, but when it changes -- and particularly when it changes sharply -- then there are dislocations and misallocations that occur, because you can't restrict, you can't scale down your expenses equally. For example, in all the universities -- and the colleges too, I daresay -- there are some parts that are more flexible than others. The academic staff, for instance, at the universities: the universities have contractual commitments to them which cannot be cut back. Therefore, a 3 percent reduction in funding in the disposable part of your budget becomes much greater than a 3 percent cut there because of the inflexible parts. And that's all the worse when the inflexible parts command the majority of your funds. I think rather than tell us their highest value per capita in research and the highest per capita in student operating grants, both of which we hold the record for in Canada, which are significant figures, I admit, perhaps a comparison of the proportion of the gross provincial product devoted to advanced education would be at least as telling a statistic. I think that might tell a different story for Alberta.

Getting down to the area I primarily want to concentrate on, Mr. Chairman, which is the position of the University of Alberta, which is in my constituency and with which, naturally, I am therefore in fairly close contact throughout the year in various capacities, I would like to deal with the minister's comments about the difficulties the two universities of Alberta and Calgary have found themselves in, which has resulted in almost unprecedented deficit budgeting. Now, it's only tentative at the present time, because the definite news of the budget allocations to them has only just arrived; also, they can't legally have a deficit without permission of the government. But the University of Alberta, I understand, drew up a tentative budget based on the assumption that there will be a 1.5 percent increase in the operating grant and an indication, it seems, that there could be a permitted increase on fees, not as high as last year's permitted increase but close thereto. The figure of 9 percent was widely discussed and used, I understand. There must have been some basis for this, because I'm sure the senior management of that university or the other universities would not proceed on mere whim. But on that basis a budget was drawn up that gave a defi-

for the year before any adjustments were made.

Now, they therefore started cutting and reduced the deficit by \$2.8 million. The cuts were largely to positions, and in the case of the nonacademic staff, Mr. Chairman, there were people actually dismissed. That can't be done on a layoff basis with academic staff, as I'm sure the minister knows. All that can be done is vacant positions abolished, and I guess they'd done all of those. In the case of the nonacademic staff, their contract is less secure, and there were actual dismissals there. But they managed to save \$2.8 million to reduce the deficit to \$3.8 million.

Now, from the reserves they have built up over past years that I think have a book value of some \$8 million. . . I say "book value" because they turn over the investments and make some capital gains, which result in a high ratio of income to book value of some \$3 million this year, I understand. They applied the \$3 million to the \$3.8 million and reduced the deficit to \$800,000. But then the bombshell dropped, of a 3 percent limit on the increasing tuition fees -- when was it? -- a couple of weeks ago, and that immediately put the deficit back to \$2.5 million, because as the minister says, that 6 percent difference made a \$1.7 million difference in income.

So with all the fierceness and willingness in the world after the cuts last year, it seems the University of Alberta will not be able to budget at all reasonably except on the basis of a deficit of \$2.5 million, which when added to the expected deficit at the end of this month for the year ending at the end of this month of \$1.8 million, will make an accumulated deficit for the last two years -- which are the first years, I believe, in deficit -- of \$4.3 million.

So the problem presents itself to that university of how that is to be made up. It's rather like selling the farm to say, "Well, we'll just have to dispose of our accumulated surpluses," because that has been yielding a very good return in the last few years. As I say, it's \$3 million this year, so that would be a false economy if there could be some possible other way of doing it. As I say, it's more the difficulty of the sharp change they've had to make in the disposition of their income and curtailment of expense rather than the relatively generous funding in the first place. I say "relatively generous" because even if it is the best in Canada, it's in comparison with some provinces that have their higher education system in terrible shape from the point of view of funding. I particularly refer to the maritime provinces. Also, I'm informed that when it comes to maintaining quality, it is difficult to compete with universities in Ontario which, in the last couple of years, I am informed, starting from the same rough salary position we have, have been able to offer increases of 7 percent last year and 5 percent this year to their academic staff. Now, for a year or two we can manage, I suppose, in a competitive market by hanging on to what we have, but it's very hard -- it's impossible, really -- to attract the best when one is falling behind on salary like that, in competing with the universities in Ontario. So perhaps our president will have to come cap in hand once again to the Premier for some special dispensation.

In that connection, Mr. Chairman, I'd like to ask the minister how the different increases or decreases -- they're all increases, of course, because it adds up to an average increase of 3.6 percent -- in the operating grants to the universities were arrived at. The increase for the University of Alberta under vote 2.6.2 is 2.5 percent, and it is the lowest: Athabasca University, 11.5; University of Calgary, 3.8; University of Lethbridge, 5.4; Banff Centre, 6.2.

Now, obviously I can't contend that the increases will have to be the same, but there obviously is a rationale for the differences, and I would appreciate learning from the minister what that rationale is. Particularly after the Dupré report one would have supposed that after the adjustments had been made that were suggested by that report the major universities would have started from the same starting point -- to use the jargon: on a level playing field. But the changes have been different between the various universities.

On the capital side, Mr. Chairman, the university has been particularly hard hit. There was a 30 percent cut last year, and they had expected there would be some relief this year. But that has not been the case. Furthermore, Dr. Dupré in his report, drew attention to the special position of the older institutions in the province of higher education. He mentioned SAIT and the University of Alberta. Perhaps he should have mentioned Lakeland College too. Dealing with that we see that although there is more old plant at the University of Alberta than any of the other universities, there is no special concession to them in the matter of maintenance and renovation.

The figures are quite depressing for the University of Alberta on capital allocations. For the '87-88 budget the renovations figure was \$3.77 million. For '88-89 it's \$3.3 million, a decline of 12.6 percent, and that's after the 30 percent last year, of course. For site and utility maintenance, it's minus 27.5 percent: \$2.28 million to \$1.66 million. These are admittedly small figures compared to the operating budget, Mr. Chairman, but the money has to come from somewhere, and the equipment has to be maintained and replaced and depreciate in an orderly fashion.

On the replacement of outdated equipment the figure was \$7 million last year, \$4.91 million this year, a decrease of 30.3 percent for an overall average decrease of 24.7 percent. The tale here is, on equipment replacement that the rate allowed for 1988-89 is only 46 percent of what it was in 1985-86, at a time when we are falling behind anyway in the replacement of equipment for the reason that we have more old equipment at the University of Alberta than elsewhere.

If I can sum that up, then, for the minister, Mr. Chairman, and ask for his comments, it so happens that the decrease in this funding amounts to \$3.23 million, which just about equals the 1.5 increase in the operating grant of \$3.18 million.

Mr. Chairman, I'd like to turn for a moment to some additional points that can be made, other than in respect to the University of Alberta. On the suggestions that have been made by the [Confederation of Alberta Faculty Associations] that there be a heritage fund for education and natural sciences and a second one for research into social sciences and humanities, it would be complemented on the same basis as the Heritage Foundation for Medical Research. I have no doubt this is no news to the minister, but does he not think that it is sound in principle? What is the future for such a suggestion, and what does the department think of the prospects? I know that is of considerable concern to the faculty association.

To move to the next topic, in the last year there's been considerable talk of Westerra at Stony Plain. What is the future for this foundation? What does the government administrator report about its prospects and what its mandate is? What, in general, is the news we can expect there?

Another area that perhaps the minister could advert to is the considerable need for a residence -- or a better residence; I'm not sure which -- for students at Alberta Vocational Centre at Lac La Biche. There is a considerable shortage of space in Lac

La Biche for those that would attend that place at the present time. I wonder what prospects there are for a betterment of their condition.

Mr. Chairman, those are all the questions I have.

MR. DEPUTY CHAIRMAN: The Member for Vermilion-Viking.

DR. WEST: Thank you, Mr. Chairman. It's a pleasure tonight to speak to the estimates of Advanced Education, and I'd like to congratulate the minister on a job well done this year on bringing forth a budget of well over a billion dollars in favour of advanced education in the province of Alberta. Advanced education in the province of Alberta is something that we should all be proud of. I have a brother who is a professor at the University of Victoria. He was over here this summer, and his comments about our facilities, our programs, the dollars that this government spends on advanced education were highly regarded. He says it's the envy of every one of the individuals who teaches at his university, and of all of those in the province of British Columbia.

If you travel throughout this province and look at how easy it is for students to access facilities of the highest quality, it's unbelievable. I live in a community and represent the constituency of Vermilion-Viking. The community of Vermilion houses Lakeland College, one of the unique institutions in the province of Alberta. It's a regional college and an interprovincial college. It represents many constituencies, from Lloydminster -- the hon. Member for Lloydminster here -- to Fort Kent, Bonnyville, Cold Lake, Grand Centre, Wainwright, Provost, St. Paul, Elk Point, Vegreville, and Maidstone, part of Saskatchewan. The college itself is like a wheel. The hub is in Vermilion at the campus; its spokes go out into these other communities.

It takes a tremendous amount of foresight to budget for such an institution. This year in the '88-89 budget we were very happy to see our total grants at \$15.187 million, addressing capital projects such as Alumni Hall, which unfortunately at the campus in Vermilion burned down a few years ago and is now very close to the finish of construction. But we see for completion of that that there's \$2.6 million in this budget. I also would like to say that in one of the spokes of this campus is the project going on in Lloydminster for \$12 million in this budget, the new campus that will be built here very shortly. I believe it's starting in August, and I want to commend the minister for that. It's very appropriate for that community, which at the present time is suffering from some of the downturn in the economy. We'll certainly enjoy the construction of that campus.

In saying that, our economy has been tough, and secondary institutions such as Lakeland and many others throughout this province have the potential. When our economy returns and we enter into free trade and the expansion in the oil and gas industries, in the trades and construction, these secondary institutions are going to play a great role in the training of our young people for that economic base that's about to begin. I look to the campus in Vermilion and the regions in heavy oil upgrading, mechanical and other trades to play a great role in that process.

Now, I'd like to target a few things to the minister, specifically, one, the endowment fund. Phase 2, as you had mentioned, has now used up some \$65 million of the \$80 million that was put forth in 1985. In recent discussions with the board of governors here in Vermilion a couple of days ago, they wanted me to bring forth and try to get an assurance that this

would continue. They think this is a good program. We just opened a pool at Lakeland College that had \$550,000 of the endowment fund, and the rest was raised uniquely from the community, from the counties, and from the people of the area in their donations. They would like to know if this program will be continued, if there will be a change in the offering of two to one or one to one, whatever the formula will be, and perhaps a better targeting to a cash basis rather than an in-kind basis. Some of them were concerned that perhaps throughout the province things such as antiques or everything right down to horses and what have you had been donated and tried to gain credit for the endowment fund. They wondered if, in order to ensure the integrity of this fund, it may be targeted to cash-only donations.

The other side of it -- and it's something that was brought out in question period by one of the members from the NDP -- was that we weren't enriching secondary education budgets enough. I had brought out a question in regards to the alumni and private sector, and I guess that addresses what the endowment fund could be used at. Vermilion points out that there is a great potential here to target the alumni which haven't been targeted in years past because of the enriched budgets, to go forth with capital projects in the future. We certainly hope that the minister will address this.

The hon. Member for Wainwright certainly would be interested, and the board did bring this forward, to ensure that the Wainwright capital projects perhaps go forth in the future. We note that it wasn't included in this budget but had been discussed some time before, so we ask that the minister look at that phase of the expansion of Lakeland College.

In regards to the Dupré report, the regional college concept generates a lot of expenses that perhaps weren't covered when the board was given a chance to present its different problems at Lakeland College. They misinterpreted the rules of the hearings, and they would ask that perhaps consideration in that equity formula that was brought forward be given to the regional concept in the fact that they support the multibuilding concept in a lot of communities, and address the large distances that are covered not only in transportation of their goods and services but also in deliveries of services in certain areas. They felt that perhaps they hadn't been able to present that at the hearing properly.

One other thing that had not been talked about at the hearings was the cost that will be incurred in all institutions, including Lakeland, with the advent of increased computerization, not only in teaching but in running the colleges. Perhaps the minister, as he goes forth with discussions with the board, may keep in mind the increased costs with the new technology of computers and perhaps distance education delivery programs with some of our colleges.

I think the only other thing I might bring up at this time is that we are looking for the opening of Alumni Hall for the '88 Seniors Games. I'd like to get a punch in for that for August 4, 5, and 6. We will be utilizing the college facilities; the community colleges are well used in this regard.

The one thing from a budgetary point of view at Lakeland College was that the insurance companies tend to play a cat-and-mouse game, and when Alumni Hall burned down several years ago, there was quite a litigation went on between the insurance companies and the college boards as to the sum of money that would be delivered. As a result the capital project and the finishing of Alumni Hall will be set back a bit because of that ongoing problem. I don't know whether the minister is aware of that or not, but it may have a bearing on some of the

equipment and furnishing that is covered under one of the grants at this time that may not be adequate to address all the needs. But that is a concern that I bring forth from the board.

The other thing is that you recently announced a 3 percent tuition, which certainly the students throughout this province, including one that I have going to school, will be very thankful for. But the boards have concerns with that. They ask that perhaps in the future the announcement of these tuition levels could be brought out before the institutions send out their brochures and announce their level of tuition for the next year. Not knowing this ahead of time puts some problems in them accessing students as well as aligning their budgets for the next year. Now, I don't know whether you've heard that before, but it's one of the concerns that was brought up at the recent meeting.

All in all, I again congratulate the minister on targeting a budget that addresses the needs of secondary education in this province and builds a foundation for the future of the students that will be there and the industry that will come out of them.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Avonmore.

MS LAING: Thank you. As we've heard from the Minister of Advanced Education, Albertans have clearly demonstrated their belief in the value of education through their participation, even as adult students and in extension courses. And I think throughout our history we know that Albertans are committed to educating not only their children but themselves.

They've also demonstrated their commitment to education through surveys and through their commitment to funding education. In a recent survey 90 percent of Albertans strongly agreed that every qualified student should be able to attend university or get postsecondary education. But with increased enrollments and funding that does not even keep up with the cost of living, we have to question whether in fact this is a possibility.

One of the areas of great concern for me is the 70 percent average for admittance that some university faculties have put in place. This may discriminate against many able students, especially male students who, while they are in high school, may still be fooling around playing soccer and football and haven't really got in touch with their academic abilities.

AN HON. MEMBER: I resent that.

MS LAING: Sorry.

In addition, increased tuition fees may certainly work a hardship on students that don't have access to funds, say, from their parents. And one of the concerns that has been raised with me on a number of occasions through my constituency office is the Students Finance Board requirement for parental contributions. This certainly doesn't work for students who are totally alienated from their families and their parents. We've had a couple of students who are not speaking to their parents, yet they're required to get money from them in order to get their student loans up to what they need.

I welcome the commitment to scholarships. I myself benefited from a number of them, and so I'm certainly aware of the generous scholarship programs we've had here. But I would hope that in committing moneys to scholarships we don't take away money that is available generally to students, take away from the funding that allows all students to participate in educa-

tion, because of course many students who would never have the ability to qualify for scholarships can make significant contributions and do well in school.

Albertans, as I've said, are really committed to university education even in times of restraint. They've said that, and they see that the quality of education in our universities is really the way in which we create our future. And even in times of economic downturn we have to continue our commitment to high-quality education, because when things turn around we need trained, qualified people to be there to help us turn things around and then carry on from there and work in the ways that we will in an increasingly prosperous economy.

I'd like to look at a number of areas where I see the cuts in funding or the inadequacy in funding as having particular impact. One of the areas is in the area of libraries. At the present time there is an incredible increase in the cost of books. If you've ever been to the bookstore -- any bookstore, but particularly the university bookstore -- in the last six months, it's enough to make one look in amazement and think they've misread the price. Books are costly for libraries. Libraries need to replace old books, they need to get the new books, keep the information up to date. It is only through well-stocked libraries that we can have a well-functioning university at the forefront of knowledge.

Another area is the cost of new equipment. Of course, equipment wears out; it has to be replaced. But also there needs to be a purchase of the latest in technology, in computers, in lab equipment that is necessary.

We also find that universities are hiring or have fewer lab assistants, and that means that less work is done in the lab for students, so that they are less thoroughly grounded in their material. And this would be especially true in the fields of biology, physiology, and microbiology. It's very important that they have first-hand experience.

One of the biggest concerns I had as an instructor at the university was huge classes, so that I didn't know the students and we had to increasingly rely on the use of multiple-choice exams. Multiple-choice exams foster convergent thinking rather than divergent creative thinking. It also means that students do not have an opportunity to use the language, so that we have students coming out that are barely able to communicate. Certainly many of them came in barely able to communicate, but it's even worse when they come out not being able to use the language, because a university is about the use of language and the exchange of ideas.

There's increased usage of graduate students to take on full-time teaching responsibilities, and although many of them are excellent, one has to be concerned about the quality of the courses that are being presented then. Because it is in teaching a course many times that a professor comes to know it well and to be able to understand what some of the brighter students may be picking up on, something that graduate students often cannot do.

Seminar courses are of larger class size. I read of one seminar course in history that had 70 students in it. A seminar course is supposed to offer free discussion so that people can discuss ideas, evaluate ideas, and come to new ideas and solutions. This is not possible in a seminar of 70; it seems a misnomer.

We also have heavy class loads for professors, in terms of class size as well as teaching. This leads to burnout as well as lower morale among the teaching staff, as well as less time to be truly creative in their teaching. They have less time to do research and publish, something that is required of them at the

university. So we often lose our brightest and most creative people to go to a place where they can do things that are part of what an academic community should be all about. There may be reduced opportunity for tenure, so that professors are not able to stay around and mature and become mentors to new faculty and to students, to promote graduate research, and really to foster a truly high level of academic work and creative research that would benefit all of us.

I think, therefore, that under the present conditions we will not be keeping our good professors that will be turning out the good students; the professionals -- be they in terms of technology of the service sector -- that we will need in our growing economy, especially if we manage to pull off this trade deal that doesn't seem too great some days. But certainly with that, we're going to have to be able to compete at the international level, and the way that we will make it possible for us to do that is to have well-trained university people.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Calgary-North Hill.

MR. STEWART: Thank you, Mr. Chairman. I would like to join with some of the other members in congratulating the minister for his performance over the past year. And in doing so, I would like to recognize the real interest and dedication that I think he shows not just to the portfolio but to the institutions themselves. I've seen him out among the institutions and meeting the people there, and I think his enthusiasm in doing so indicates how much he's enjoying his job and how much he's contributing to this whole area of postsecondary education.

I think also that he's shown a degree of responsiveness that all members should appreciate; I know the institutions do as well. And I think the example of the Dupré equity study is but one example. When there were indications that equity matters should be addressed, the minister was responsive to that request, appointed Dr. Dupré, the equity study proceeded, and as soon as the results were out, the minister acted. I think that sort of responsiveness is something that we, as representing our constituents, all appreciate.

I think also, Mr. Chairman, that we're very fortunate in Alberta to have the quality of educational institutions that we and our young people now enjoy in this province. And I think that speaks well of the quality of governance, of administration, and certainly of the faculty and staff as well. I know in Calgary we do feel that we are very, very privileged to have institutions such as SAIT, Mount Royal College, the university, Alberta College of Art, the AVC, and of course Banff Centre not being too far away. So we're very fortunate, and it provides a very broad spectrum of opportunity for our young people in Calgary, certainly, with these institutions. And I think it's important to note the stature that many of these institutions now enjoy when they are compared with institutions of a similar nature in this country.

Over recent years these institutions have all had tremendous growth in physical size as well as, of course, in enrollment. That's been encouraged by government in order to give full opportunity to our young people in Alberta to gain an education right here at home and, hopefully, having done so, utilize that experience and that education for the benefit of Alberta in future years. So there's been a growth in physical size, there's been a growth in quality as well, and the standard of academic excellence which has been achieved is certainly an indication of the

quality of instruction, as well as the programs that have been offered.

The minister has reviewed the record of funding for our postsecondary institutions in this province over the years and made comparisons with similar circumstances in other provinces in Canada. And I think it's a record that all of us can be justly proud of: a \$1 billion budget this year. Here we are sort of in the midst of a program of fiscal restraint as we make every attempt to balance our budget in the space of four years' time, and in spite of that budgetary restraint, a program of fiscal responsibility, education has surfaced as an area of commitment on a priority basis. I think the minister, in the various allocations of funding that are contained in the estimates, has indicated some very special areas of support that really do represent and address needs. Of course, there's the 1.5 percent increase in the operating grants, but in addition to that, the 15 percent in the supplemental enrollment grants I think is very significant. Also, recognition of the financial assistance that's necessary for students, an increase of 9.5 percent; \$2.1 million for new program funding; \$4.3 million related to new space; and of course a substantial increase in the capital expenditures as well.

I'm glad that the minister mentioned the matching endowment and incentive program, because I think all of us are very keen on that program and the success that it's had, and I think it's been very significant in promoting private-sector donations. It has sort of spun off into other areas as well. I know that the alumni associations of the various institutions are now getting in as well and contributing from their resources, as they have enjoyed their university education and are showing their loyalty and support for the institutions from which they obtained their education.

The minister has already indicated the significance of the dollar commitment to postsecondary education in comparison with the other provinces in Canada, and this is a very significant commitment. But at the same time, while our funding is second to none, we do see some very real challenges facing some of our institutions. The pressures of growth, enrollment, space, and cost are still there. I think the boards have made -- and will continue, I'm sure, to make -- a real effort to deal with these, but nevertheless they are challenges that are facing us.

The hon. Member for Calgary-Foothills and also the hon. Member for Ponoka-Rimbey and myself had the opportunity a few months ago to spend a considerable amount of time at the University of Calgary just to meet with the university associations. Dr. George Fritz of the faculty association laid on a program that enabled us to visit various aspects of the university, to go into those classrooms and see some of the crowded conditions, to see some of the labs and see the things that had to be attended to there, and we came away with a new feeling for the university and some of the problems they were facing.

So the basic question, I guess, is whether the solution to these challenges always lies in just spending more money. Do we keep building to meet enrollment demands, with the risk, perhaps, of potential enrollment decline in the future? Do we keep increasing funding to ensure a high standard of research component? Do we financially encourage growth to ensure that there is always a place for our future academics in this province to teach? Do we spend to the point of ensuring accessibility for every qualified student and attempt to have those qualifications remain reasonable? These are some of the questions, and of course, all of the objectives -- accessibility, research, and academic opportunity -- are all very important. And I suppose the answer, in reality, is that we will always spend more money. It

seems that we always have in the past, looking at the past estimates and budgets, and we'll probably always continue to do that.

However, it seems that we have to examine the problem from some other directions as well, and I know the minister is doing that. I'd just like to raise three or four different areas that I think might deserve some attention as we look for other ways in which to accommodate the needs of the universities and, at the same time, make it so that it's not just a matter of piling in more money each year, one year after the other.

So the first one I'd just like to mention is the business about funding of new programs. They, of course, become built into the base as grants for special programs are approved, so that there is a base for future funding. But there's another side of the coin, and that is the phasing out of programs. Times change and program needs change. I'm sure there may be many programs within these institutions that perhaps should be phased out or altered. I think we need some sort of a system of funding that encourages the institutions to look at it from that standpoint as well and not just add to and build up the base. I believe we have to find a way to provide incentives to those universities and other institutions to look at those programs from the standpoint of scaling down where it's appropriate or at least to remove the disincentive in that regard. I think we also need a little bit more entrepreneurship built into our system, some institutional flexibility to respond to demand either by upscaling or downsizing the program offerings. If more authority is given to the institutions to respond to the needs of their individual market, I think we'll see more effective use of some of the dollars that go to postsecondary education.

I recognize that of course there are new programs that can be submitted for approval and, indeed, are approved. They do respond to local needs. But I think the process is somewhat cumbersome in this regard, and the decision is not really made by those that are closest to the action on the front line. I think if institutions were to be given more authority and flexibility to operate, then of course they have to be accountable totally for those decisions, and that would come with the territory. But perhaps a more creative funding system could address that flexibility and the required accountability that goes along with it.

Rationalization of mandates. I think that we're all coming to realize that every institution can't be everything to everybody. Having to travel a few miles to have the opportunity of attending a course at an institution that may be a little ways from home is something that I think we can accept and is a part of the reality of the times. Certain programs certainly require tremendous capital investment. Other programs or courses are such that there is a scarcity of qualified people, perhaps, to instruct in those areas. Certain other programs are more appropriate in one area of the province as opposed to another. Perhaps, as well, certain institutions should have a single administration with multiple campuses. I believe that at least we should examine these matters and sort of reassess the mandates of our various institutions. I think it's time.

I'm also wondering if it's not time to think about extending the mandate of those colleges that have university transfer programs and -- to the hon. Member for Edmonton-Mill Woods, Mount Royal College certainly does have a university transfer program, which takes a large percentage of its students -- to think in terms of the possibility of expanding that opportunity at the college level and, indeed, even having a degree from that college. Maybe it's something the same as Ryerson, I think, has implemented in recent years, and it may apply to our technical

institutions here, or some of them. Again it's a matter of mandate, and it would certainly lessen the demand for enrollment at the university level. I'm sure that many students who were interested in obtaining a quality education in some of the general arts and some other disciplines the colleges could provide would be very happy to obtain a university degree from those institutions.

In summary, I'm proud of the record that this government has in working with postsecondary institutions. I guess I'm proud also of the financial assistance that's being given and has been given over the years. I'm proud of what has been accomplished. At the same time, I think we all see some problems to which money alone need not be the entire solution. There are some real challenges out there, and I know the minister is well aware of them. I believe this minister and this government will meet those challenges, and they will do so by working cooperatively, on a consultative basis with the institutions themselves, doing that in creative ways which will ensure that the institutions remain at the peak of excellence.

Thank you, Mr. Chairman.

MR. RUSSELL: Mr. Chairman, the comments have gone on for some time, and I appreciate them. There have been many specific questions asked. I will have to get answers for those members when we look at *Hansard*, but I did want to take the opportunity, while the remarks are fresh in our minds, to perhaps speak for 10 minutes or so on some of the broader philosophical-type questions, starting with the most recent idea put forward by the hon. Member for Calgary-North Hill about making community colleges into degree-granting institutions.

This is an idea that's been put forth on several occasions and, of course, has made the universities, our major degree-granting institutions, and in fact the whole system a little nervous. I think the reasons for that are obvious. Ontario has approached the issue by setting up a number of what we call junior or regional universities throughout the areas in the province, but I can say now that we're not giving active consideration to expanding the role of the colleges into degree-granting institutions.

The member also made some very interesting comments with respect to more autonomy in the matter of introducing new programming and overall accountability. I wish it was that easy. We're now attempting to get the field as a whole to deal more vigorously with the challenges of rationalization, and I'm encouraged by the positive responses I'm getting there with respect to those ideas. I think perhaps this era of fiscal restraint has forced some institutions to really take a look at what they are delivering with respect to others in their own region and see if duplication or unhealthy competition is perhaps draining precious dollars away.

Sometimes things are forced on us. I can remember how annoyed I was when the medical research trust fund built two new research buildings for the University of Calgary and the University of Alberta. Of course, it was fine while the construction was going on, but then who pays the operating costs? They were phased in at a time when we were going through our most severe year of fiscal restraint, the present fiscal year. So that is not the kind of decision we would have taken if we had our choice, but in that case we didn't have our choice. I only mention that as an example of the kind of thing that can happen if that final decision-making or approval for programs that have ongoing dollars attached to them is removed too far away from the party that ultimately has to write the cheque.

The Member for Edmonton-Avonmore made some excellent

comments about decreasing library support, and I certainly agree with the thrust of the member's comments. I've been concerned about some of the stories different faculty librarians have told me, and frankly I think we're pushing right up to the edge of where we can decrease those library grants and hold them there. Hopefully the future will see an upturn in those specific grants.

Several members mentioned the ramifications of the 70 percent admission level into the U of A. Frankly, I don't have any problem with the U of A's sort of general master plan. I was present at the convocation when Dr. Meekison, their vice-president, outlined it. To me it made it a great deal of sense; that is, saying, "This institution has reached its maximum desirable size, and we're going to take some steps to keep it here." They set out a policy of a ratio between graduate and undergraduate students, and to me it sounded quite logical. I think what created a small ripple of concern at first, until it was understood, was this minimum 70 percent entrance requirement. Actually, that mark, I'm told from pretty reliable sources, has pretty well been exceeded in all of the professional faculties anyway. Their growth has been controlled by numbers, and you have to have far above the previous 65 percent to get in anyway.

That's common in universities across Canada. For some of the faculties in some of the universities you require an 80 or 83 percent mark to get in. It's only the general arts and science faculties, and those are the ones where we have the ability to institute transfer courses where that is a concern. I think we're responding to that. We've made definite our plans for northern Alberta with respect to Grant MacEwan College, and certainly the ability to respond in a similar way lies with the new expansion at Mount Royal College.

I was intrigued by the incisive remarks by the Member for Vermilion-Viking. He said that it's been a tough year; the economy has been tough. I think I've sat here for a couple of hours and listened to most members express concern and in some cases be quite critical about perceived underfunding. But we have said, our Premier has said to hospital boards or school boards or universities: "When the resources and the funds were there, we have shared them with you. When we don't have them, you'll have to tighten your belts a bit with us, and when we have them again, we'll share them again."

It's fine to criticize cuts or fiscal restraint, but I didn't hear any suggestions coming from over there about how we might keep funding ahead of the inflation level, and I'm not so sure it's a good thing to always do that, to always get into that inflationary spiral and increase grants to match or exceed the rate of inflation. We've seen what happens when you do that. I don't know if the Red Vicar has a printing machine that turns out money or something in his basement. We were long on criticism but short on suggestions.

I was just going over what this budget contains. We've got \$2.4 billion between the two education ministers. We've got another \$3.3 billion for health services spread among three ministers. That's \$5.7 billion that the government really doesn't have much control over. They're transfer grants to autonomous agencies, and in turn those receiving agencies don't have an awful lot of flexibility either, because 75 or 80 percent of those grants go to pay the costs of wages and salaries and manpower. So when times are leaner, we simply have to do with less, and that's what last year's budget and this one we're debating have been about.

The Member for Vermilion-Viking also made a good point about Dr. Dupré perhaps not addressing the disparities which are

due to geographic reasons. That's not a bad suggestion to follow up on. He asks: will the endowment fund continue? As far as I am concerned, I certainly hope so. We're nearing the limit of the second fund. We're within \$15 million of reaching that commitment, and we'll have to start making plans very quickly if there's going to be phase 3. But it's been such a good thing for our system and such a success story that I do hope we'll be able to continue with it.

The Member for Edmonton-Strathcona wondered about the apparent differential in operating grants to the different institutions. I had tried to explain that by talking about, first of all, the difference in fiscal year anniversary dates between the colleges and the universities, the differences in enrollment growth funding, new program and new space support that are included within there. But it shows pretty dramatically if you turn to the element book on pages 2 and 3 and look at vote 2. You'll see that all those provincially administered institutions get a straight 1.5 percent. You look across the page at the universities, and of course using the same formula and the same approach, the numbers go all the way from 11.5 down to 3.8. Yet the operating grants are exactly the same increase for all of them: 1.5 percent. For example, that one at Athabasca University: there is considerable new operating funding added to their operating grant for the establishment and support of that distance learning centre, and that's included in the 11.5. You have examples like that all the way through.

He brought up the question, and I've met with faculty associations who are promoting the idea, of ongoing heritage trust funds for the social sciences or for the natural sciences. Good suggestions. I believe our legislative committee, the standing select committee on the heritage trust fund, has talked about that as well, and I would think the day is coming when that can be considered. The medical research trust, of course, has been an international success, and if there's room to do that again, I'm sure it will be considered.

The member also brought up the question of the future of Westerra. I'm happy to report that it looks pretty good. We've had excellent co-operation from the teaching staff out there. The enrollment this year went up. The administrators have been very vigorous in looking at programs that can be designed to respond to the needs of the local regional business community, and they're doing well. I have to pay a vote of thanks to the people that were responsible for making that transition and holding the autonomy of Westerra in that holding position until we can get things going.

I also want to respond to the question of the 3 percent tuition fee increase that the hon. member raised, because it's important and the story he related was quite accurate. I did spend several weeks discussing with various student groups, faculty associations, and the Universities Co-ordinating Council, which includes the four presidents of the universities, where we might go with that tuition fee. I indicated after talking with those groups that it would be my desire to go for a figure as high as I could press towards 10 percent. I never revealed the figure, but I think everybody was safe in assuming that I was going to recommend 9 percent to my colleagues. Our collective wisdom didn't end in that figure, for the reasons I outlined, but that's the story and that's what happened.

The hon. Member for Ponoka asked me if rationalization has started yet. Yes, it has. At least the administrations are thinking about it, and to me that's a very positive sign. Two years ago nobody was even talking about it. He asked also if this budget included any new significant additions or deletions to the uni-

versity or college systems. The answer is: no, I don't believe it does. There are supporting funds for programs that have been previously approved. I think the most significant one that I can think of, because it's so different, is the establishment of the distance learning centre at Athabasca University.

Now, what about research overhead? Good question. The universities have raised that matter with us, and in fact Dr. Dupré touched upon it in his study. Obviously, we're going to have to go to the funding agencies that forward these research funds, and most of them are federal, like the medical research, the National Research Council, et cetera. What has happened is that up until now, the institutions receiving those funds have been eating the overhead, and there is a limit to what extent a research-based institution can do that with respect to support staff, office staff, office space, and utilities. My colleague the Provincial Treasurer and I will be starting serious negotiations, as will the other ministers who hold similar portfolios across the country, on that matter because it's becoming a serious concern.

We were asked by the Member for Calgary-Buffalo if moving transfer courses to colleges to maintain accessibility had been a deliberate policy decision, and he posed the question: why not just give the University of Alberta another \$1.5 million instead of Grant MacEwan College, and let them handle the enrollment problem? I believe I've dealt with that. It isn't that simple. If I understand it correctly, the University of Alberta had their own strong reasons, which I agree with, for wanting to cap the size in student numbers of that institution, so it means that if that happens, somebody has to find spaces for the students that got turned away. We've taken the first step in doing that, and I don't think it's so bad, the response that we have had.

I can recall -- it doesn't seem so long ago, but I guess it is -- when there was one university in this province, and before I came up here as an MLA, we were proud to see the University of Calgary get started. Then I came up here, and we sat in the opposition, and the big debate for the Social Credit government at the time was which side of the river the University of

Lethbridge was going to be located on. And that was a big debate. It's there now, and both of those institutions are thriving and healthy. Then when we came into office as government, we dealt with Athabasca University, and that whole new concept of distance learning was born and centred in a smaller community outside of Edmonton.

I don't know what the next step will be, but I expect that it will be imaginative and progressive and logical. So the answer to "Is a transfer away from the U of A for that enrollment a deliberate policy decision by us?" is: no, it isn't, but I don't think it's a bad one.

Mr. Chairman, I think that deals with most of the general policy issues that were brought up during the remarks offered by the various members. The other questions I have are more of a specific vote question-and-answer type, and I'll attempt to get written answers for those. Thank you very much.

MR. YOUNG: I move that the committee rise, report progress, and request leave to sit again.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

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

MR. DEPUTY SPEAKER: Having heard the motion and the request for leave to sit again, all in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried.

[At 10:33 p.m. the House adjourned to Tuesday at 2:30 p.m.]