

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Wednesday, July 26, 1989 2:30 p.m.**  
Date: 89/07/26

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

[Mr. Speaker in the Chair]

**PRAYERS**

MR. SPEAKER: Let us pray.

O Lord, we give thanks for the bounty of our province: our land, our resources, and our people.

We pledge ourselves to act as good stewards on behalf of all Albertans.

Amen.

**head: INTRODUCTION OF BILLS****Bill 15****Alberta Energy Company Amendment Act, 1989**

MR. ORMAN: Mr. Speaker, I beg leave to introduce Bill 15, the Alberta Energy Company Amendment Act, 1989.

This Bill provides for the location of the head office in Alberta and for the relaxation of the restrictions on ownership of AEC shares. Bill 15 permits an individual or associated group to hold up to 5 percent of outstanding voting shares and restricts the aggregate ownership of voting shares held by nonresidents to a maximum of 10 percent.

[Leave granted; Bill 15 read a first time]

**Bill 8****Department of Social Services Amendment Act, 1989**

MR. OLDRING: Mr. Speaker, I beg leave to introduce Bill 8, the Department of Social Services Amendment Act, 1989.

The intent of this Bill, Mr. Speaker, is to reflect the change of name of this ministry to Family and Social Services.

[Leave granted; Bill 8 read a first time]

**head: TABLING RETURNS AND REPORTS**

MR. STEWART: Mr. Speaker, it is my pleasure to table the annual report for the year 1988 for Alberta Government Telephones. [interjections]

MR. SPEAKER: Order please.

MR. ORMAN: Mr. Speaker, I would like to table with the As-

sembly the 1988 annual report of the Alberta Petroleum Marketing Commission.

MR. SPEAKER: I am pleased to table Members' Services Order 4/89.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. TAYLOR: Mr. Speaker, it's my pleasure today to introduce to you and through you to the members of the House some five members of the Alberta Agriculture Distress Committee who are seated in the visitors' gallery and were fortunate enough to meet with the ministers of Agriculture earlier today. I'd like to introduce them, if they will stand for the recognition of the Legislature. They are Elzien and John Schopman, Mary and George Schmidt, and Edith Enns. If they would rise now and get the traditional welcome of the Legislature.

MR. DINNING: Mr. Speaker, it's my pleasure today to introduce two constituents visiting from the constituency of Calgary-Shaw. They're paying a special visit to Edmonton. They are Leon and Florence Gruending, and they are joined by their brother Mr. Hank Goertzen. I'd ask them to rise and receive the traditional welcome of all members.

MR. FOX: [remarks in Ukrainian]

Mr. Speaker, it's my pleasure to welcome and introduce to you and members of the Assembly 45 senior citizens from the Vegreville constituency. They come from around the Vegreville area, some from Mundare, perhaps the Lavoy, Hairy Hill, Warwick, and Willingdon areas. They're here on a tour today with their escorts, Diana and Alvin Forstey, and I'd like all hon. members to help me welcome them as they stand in the public gallery.

MR. BOGLE: Mr. Speaker, it's my privilege today to introduce to you and through you to members of the Assembly a very hard-working constituent of mine. This gentleman, along with his brother and sons, operates a successful farming and ranching operation in the Milk River-Warner area. He has served on the Warner county council for a number of years and most recently was elected as chairman of the county of Warner school committee. Would members join with me in welcoming Mr. Hovey Reese to our Assembly.

**head: ORAL QUESTION PERIOD****Treasury Branches Loans**

MR. MARTIN: Mr. Speaker, to the Treasurer. Any Albertan who looks at this government's use of our tax dollars can see that there's one group that this government represents, one group that this government will always stand up for. It stands up for Alberta's richest families, the powerful friends of government. Whether it be the Donald Cormies, the Kipneses and Rollingers, the Peter Pocklingtons, the Ghermezians, each one of these friends has ended up mortgaged to the hilt or actually ended up hurting ordinary Albertans. The government is always there for them with our cash, willing to help them out or turn a blind eye. It's called Conservative-style free enterprise. My question to the Treasurer. Will the Treasurer confirm today that the Alberta Treasury Branches are preparing to take out a third

mortgage on West Edmonton Mall?

MR. JOHNSTON: Mr. Speaker, I can't confirm that.

MR. MARTIN: Mr. Speaker, all you have to do is get on the phone, and you'd know that that was the truth. I would remind the Treasurer that he is responsible for the Treasury Branches under the Treasury Branches Act. My question: as the Treasury Branches were already running a total deficit of \$142 million as of 15 months ago, has the Treasurer even talked to the superintendent about the advisability of investing Albertans' money in risky loans such as third mortgages?

MR. JOHNSTON: First of all, Mr. Speaker, let me make it very clear that the Treasury Branches operate on their own judgment of what is commercially feasible for them. I can assure the member that I have no information with respect to any reported loans to any of the people he talked about. It may well be that there are, and it may well be that there are not. However they come to their conclusion, however, they do it independent of government. What they do is judge it on the basis of the security they can achieve through the regular kinds of covenants, on the ability to repay the loan, and those are the two nominal kinds of tests that everybody in the credit business uses. Now, I know that the member may not understand that, but that's how the process operates.

What I cannot understand, though, is that the member seems to be in conflict. On one hand, he says that these are the people who presumably the government is providing some assistance to, and on the other hand he expects me to pick up the phone to ensure that that happens. Well, we don't pick up the phone. It's based on the way in which the analysis is provided to the various banking institutions, and I would hope that the member could understand that.

Now, many of these people have been through difficult periods, it's true, but I think he'd better be very careful that he doesn't make some of these statements outside the House, because I'm sure that in fact with some of the names that he mentions, there's been no connection at all with the Treasury Branches.

MR. MARTIN: Mr. Speaker, to the Treasurer. Third mortgages are a high-risk venture. If he knows anything about business, he would understand that. Ultimately the taxpayers are responsible, and we found that out with North West Trust. My question is to the Treasurer. How can he now turn a blind eye and say that they can do whatever they want when the taxpayers could be accountable later on?

MR. JOHNSTON: Well Mr. Speaker, I'm particularly glad that the member mentions North West Trust, because of course he falls into the trap immediately. I remember telling the people in the House on many occasions historically that in the case of North West Trust, this project was bailed out by the Canada Deposit Insurance Corporation to the extent of some \$270 million.

MR. McEACHERN: That's the taxpayers.

MR. JOHNSTON: That money went into North West Trust. The real estate was taken out, and we ended up with absolutely no money of the government of Alberta being donated on the

North West Trust businesses, Mr. Speaker.

MR. McEACHERN: Nonsense.

MR. JOHNSTON: So when he mentions that case, that is a clear example as to how we do operate. We ensure that that financial institution is restructured.

MR. McEACHERN: Cover up for your friends.

MR. JOHNSTON: The benefits go to the province of Alberta, the real estate is left . . .

MR. SPEAKER: Order please, Provincial Treasurer. The Chair admonishes Edmonton-Kingsway. This is not a back-and-forth dialogue. This is happening every day, and it must cease. [interjection] Hon. Leader of the Opposition, that's enough.

MR. MARTIN: He doesn't need the interference.

MR. SPEAKER: Thank you very much. This is not a matter of interference, hon. member. It's a matter of discipline in the House, and the Chair has admonished Edmonton-Kingsway.

The supplementary has been completed. Next main question, unless the Provincial Treasurer has additional comments. Thank you.

MR. JOHNSTON: Mr. Speaker, the only additional comment I have is that obviously I can't comment with respect to what position the Treasury Branch may have with this company, Triple Five, or any of its associated corporations because I have no knowledge of what kind of a deal they may or may not have struck. So I can't comment as to what position they've taken except to provide the assurance to the House that the Treasury Branch is a very vital part of Alberta's economy. Yes, we've gone through a period of losses similar to other financial institutions, but I'll be showing to the Assembly very soon that the losses are substantially reduced. We would expect that over the next little period when we study more fully ways in which we can streamline the operation of the Treasury Branch, it'll in fact become profitable. So, Mr. Speaker, I think we all know that the Treasury Branch is a significant financial institution in this province. They're working effectively, and we keep it at an arm's-length basis.

MR. MARTIN: Mr. Speaker, well, see no evil hear no evil.

### Code Inquiry Report

MR. MARTIN: To the Premier. Mr. Speaker, the role of the former Minister of Consumer and Corporate Affairs is clear in the Code report. The minister breached her public duty, and the minister was "neglectful," "misguided," and "even reckless." Mr. Code found these things out without having full access to that minister's records. Around the time the Treasurer closed down AIC/FIC, these records mysteriously disappeared in a puff of smoke. Now, Mr. Speaker, I will admit that justice will not be done if one junior minister is allowed to take the fall for the shared responsibility of the Premier and his cabinet, but it is clear under our system of government that that minister was responsible for what happened. Mr. Code has made that clear. My question to the Premier. Has the Premier yet asked the Min-

ister of Career Development and Employment for her resignation, and if not, why not?

MR. GETTY: Mr. Speaker, I would never discuss publicly conversations or considerations regarding ministers.

MR. MARTIN: Mr. Speaker, don't deny it then.

"Mr. Durwash," when he brought the truth to the minister, was canned. He was canned for bringing the information. My question to the Premier. Does not that minister deserve the same treatment that civil servant got?

MR. GETTY: Mr. Speaker, I'm not familiar with the name "Durwash."

MR. MARTIN: Well, Mr. Speaker, the Premier can try to be cute about this matter, but it's not cute.

Let me give the Premier a suggestion. If the Premier feels sorry for the minister of career development, he can fire her the same way that he fired Mr. Geoff Davey, make her executive director of something somewhere in a nice part of the world. Has he considered that, Mr. Speaker?

MR. GETTY: Mr. Speaker, I really find no question in the leader's comments there. I think it sounded kind of foolish actually. [interjections]

MR. SPEAKER: Order. For purposes of the record of *Hansard* the Chair wishes to read into the record the direct quote from Mr. Code's inquiry. The Chair was concerned last week that on about eight or nine occasions only partial comment was made from this report. Therefore, in the interests of . . .

MR. MARTIN: Is this a point of order or what?

MR. SPEAKER: It's a direction of the Chair. [interjections] Thank you. The complete quote, for the record, is this. This is from page 419:

The evidence tends to show that Osterman's conduct in these circumstances does not fit within those terms because although she was neglectful, misguided or even reckless, her intentions were not in any way dishonest.

That's the complete quote. [interjections]

Thank you.

Calgary-Buffalo.

### **Treasury Branches Loans**

(continued)

MR. CHUMIR: Thank you, Mr. Speaker. We know that the Treasury Branch has financed over \$50 million for Peter Pocklington to take over Palm Dairies. I have here an offering memorandum which indicates that the provincial Treasury Branches recently committed to make a risky \$50 million loan on West Edmonton Mall, which we've already heard is to be secured by a third mortgage. I think it's about time the Provincial Treasurer made a clear statement about what role he or his department plays in such loans and in establishing policies for the Treasury Branch since the Treasury Branch doesn't have a board of directors and he's the responsible minister under the Act. I'm wondering whether the minister would now clearly tell us about what staff he has within his department for administer-

ing and supervising the Treasury Branch and what their role is? What do they do?

MR. JOHNSTON: Mr. Speaker, all of that is innocent information, but it doesn't change my first comment to the Member for Edmonton-Norwood. That is, whatever it is that Treasury Branch does with respect to commercial loans, it does on its own. It makes its own judgment. I think that over the past 50 years their record's been very effective.

MR. CHUMIR: Well, even though the minister tells us that the final decision is made by the Treasury Branch, could he tell us whether he or any of his staff or Treasury Board would be involved in discussions with the Treasury Branch with respect to either the Gainers or the West Edmonton Mall loans and in setting the overall policy of the government with respect to those loans?

MR. JOHNSTON: Well, of course, it's true that the overall policy is set by government. That policy is: go out there and make sure you're doing a good job for the citizens of Alberta, assist them through those difficult times -- which the Treasury Branch has done -- provide the best kind of service to the people of Alberta, and become a very active player in the financial markets in this province.

I heard the comments from the Liberal party previously saying that we're doing nothing to strengthen the financial markets. If anything could be reversed today in discussions here in the Legislature, it's to show that, in fact, we have strengthened the financial markets. We have, in fact, ensured that there's a variety of opportunities for people to invest and to borrow money. We have ensured, in particular with respect to the Treasury Branches, that it's in the marketplace doing a good job at a time when unfortunately some of the central banks were backing away from Alberta investments. That's what the Treasury Branch does. That's the kind of policy direction we give it. The rest of that, Mr. Speaker, is commercially confidential. That's the way it operates, and that's the way it will operate.

MR. CHUMIR: Well, the minister would have us believe that the superintendent of the Treasury Branch is making all the decisions on his own. I'm wondering whether the minister can tell us why there is no board of directors for the Treasury Branch, which every other financial institution in this country has? Is the superintendent being left on his own to run the billions of dollars for which we're responsible, without direction from the Provincial Treasurer or a board?

MR. JOHNSTON: Well, it is interesting, Mr. Speaker. If we had this Treasury Branch operating the way the socialists would like it to operate, that every time there was a loan application, it had to go across my desk, you can imagine how many socialists would get loans, first of all. I'm sure that the member doesn't expect us to operate on that basis, nor do we.

### **Students Finance**

MR. SEVERTSON: Mr. Speaker, my question today is to the Minister of Advanced Education. I see the announcement today that the minister is going to review the student assistance programs. I have many calls from my constituents regarding student loans. My question to the minister is: will this review

help the married students who wish to return to universities and colleges?

MR. GOGO: Mr. Speaker, last year the Students Finance Board assisted over some 55,000 Albertans to the tune of perhaps \$200 million. In my tours of the institutions and the meetings with the student unions, the most common questions they've raised is the whole matter of student assistance, student finance. Amongst those questions, of course, is the possible increase in assistance to married students. So this review, Mr. Speaker, carried out by the Students Finance Board will certainly look into that matter.

MR. SEVERTSON: Mr. Speaker, to the minister. How will it affect students who win scholarships and then have the amounts of their loans reduced?

MR. GOGO: Well, Mr. Speaker, it must be remembered that the role of student finance is to allow those who have the ability and the desire to pursue a higher, education, a postsecondary education, to achieve that. That's why the student finance program is in place. One could make the argument: if an individual has a scholarship in the form of dollars, does that individual need the same amount of loan? So that's one of the review matters that the Students Finance Board will be carrying out.

MR. SEVERTSON: Mr. Speaker, to the minister. I keep hearing that adult students cannot receive loans because they're still living in their parents' homes. Will that be changed?

MR. GOGO: Mr. Speaker, that's perhaps the most controversial of all questions. As members may be aware, it's the policy of this government and the Students Finance Board that until a student is away from home for three years, that student is not considered independent in the normal sense of the word. That obviously is a controversial matter and one that the student councils have raised many, many times. I would hope, Mr. Speaker, that Mr. Tims, the chairman, and the board would come forward to me with a recommendation, be it to leave that policy as it is or perhaps alter it, similar to some other provinces in Canada.

MR. SPEAKER: Edmonton-Centre, followed by Edmonton-Gold Bar.

### AIDS Programs

REV. ROBERTS: Thank you, Mr. Speaker. AIDS continues to be a most pressing health care issue in our country as well as in our province, not only in terms of the prevention and education in terms of preventing AIDS but also the care and treatment of those people who actually have AIDS or HIV infection. Now a recent report which has been worked on for two years by departmental officials has been released, and it states clearly that \$4.6 million of new funding is necessary this year for the care of people who are living with AIDS in the province. Yet the minister has only allocated \$2 million of new money. Can the Minister of Health please tell the Assembly how it is that the government can find millions of dollars for its corporate friends but cannot find the \$4.6 million needed, as this report says, for people who are living with AIDS?

MRS. BETKOWSKI: Well, Mr. Speaker, I think that management of the fiscal capacity of the dollars in this province and meeting the health care needs are two objectives that we take very seriously as a government. Certainly with respect to the issue of AIDS, which is a big issue and certainly one of the most challenging in health over the next little while and certainly into the 21st century, we have responded in a comprehensive way with general education programs in terms of the three roles of government: one being general education, one being reduction of the risks to the population, and the third being patient care initiatives. As we work through those, as we manage through those, we will try and get the best value out of the dollars we have. I believe the work being done in Alberta is worthy of support by all members of this Assembly.

REV. ROBERTS: Well, Mr. Speaker, that work has been done very ably by the minister's own department, in her own report. I'd like to ask the minister why it is that in this report, which calls for \$1.9 million for care of people who are living in the community who have AIDS -- why has this minister only allocated less than \$500,000, less than a quarter of what her report says is needed in the community?

MRS. BETKOWSKI: Mr. Speaker, in terms of dealing with the issue of AIDS and particularly in dealing with the forecasted increase, I believe it's very important that we integrate the services of how we deal with those who are afflicted by this disease into the existing health care capability institutionally and community-based. We have put in place a plan of action. Certainly I will be an advocate to increase support for that plan of action. I believe that we have in the estimates of the Department of Health a very effective plan outlined and the dollars provided to meet those needs.

REV. ROBERTS: Well, Mr. Speaker, this is most disappointing if this minister's advocacy has only gotten us this far.

Can the minister then explain to her cabinet colleagues and others that with the rate of AIDS doubling every 18 months in this province, why it is that we are not building up the community sector? If we don't provide that low-cost health care delivery in the community, it's going to cost millions of dollars to provide for the increasing number of people with AIDS in the institutional sector.

MRS. BETKOWSKI: Well, Mr. Speaker, I think the hon. member should take the benefit to go through some of the work that has been done by the Department of Health in this area. Certainly support in the community sector is one facet of dealing with those with AIDS. As well, I think we need to look at the outpatient capability within our institutions and also the need within the institutions to care for those individuals who have the disease. The community component is an important one. We have taken the unprecedented step of going to the community with a certain dollar allocation and searching for proposals with respect to how we can get the best value for those dollars in the community. I believe the community is going to be very responsive as to how we deal with those dollars.

MR. SPEAKER: The Member for Edmonton-Gold Bar, followed by Calgary-Glenmore.

### London Office Appointment

MRS. HEWES: Thank you, Mr. Speaker. During and just following the election in March we all heard many stories about dissatisfaction in the Tory ranks over the handling of media relations in the Premier's office. That's no secret, Mr. Speaker. Today we heard that the Premier's press secretary has been appointed to a newly created position as executive director of European relations in the London office of the Alberta government. Now, this appointment is all the more puzzling in light of the fact that the budget for Mr. Horst Schmid, Alberta's energetic commissioner general for international trade and tourism, was cut by the government that is making this appointment today. Mr. Schmid's budget was cut by 3 percent in '88-89 and a further 10.8 percent this year. My question to the Premier is: what is the government's rationale for creating the new post, particularly in light of the aforementioned cuts in international trade and development?

MR. GETTY: Mr. Speaker, I find it strange that the hon. member would raise this question when we've dealt with the matter of appointments before in the House. It was July 18, as I recall responding to the hon. Member for Edmonton-Glengarry.

I just point out to my hon. good friend that the position was created last year. It is a very important position. It involves a great deal of public relations in Europe. It also involves economic development. These are matters which are very, very much essential to the government's continued growth and investment in trade with Europe. I was pleased, Mr. Speaker, that we had an individual with the background and experience that seemed to just fit in such a natural way the needs in that position.

MRS. HEWES: Mr. Speaker, I don't know whether the galluses help the answer which the Premier gives, but the House, I think, would like to know of the Premier if the new position was advertised. If so, where and how was it advertised?

MR. GETTY: As I said in the House previously, Mr. Speaker, there are some occasions when you have such a match of qualifications and needs in a position that you can, in fact, save considerable dollars by being able to put that match together. I can recall that that was one of the situations in fact with the appointment of the hon. Horst Schmid. He seemed to just have the natural qualifications. It would not have been in any way sensible to go into some kind of national advertising or search. Rather, he fit perfectly into that role of commissioner general for trade and tourism. I guess, Mr. Speaker, it may even have been the case in the appointment of the CN chairman. [interjections]

MR. SPEAKER: Order please. Order. Final supplementary.

MRS. HEWES: Nice shot across the bow there, Mr. Speaker.

Mr. Speaker, perhaps the Premier will tell us, however, to whom the position will be accountable, its relationship to Mr. Schmid, and how performance will be evaluated.

MR. GETTY: Mr. Speaker, if I were to describe the shot, I would say it wasn't across the bow but rather dead centre.

However, my good friend, I would say that the position will be responsible to the Agent General in London and will work

with a variety of departments here in the government.

### Free Trade

MRS. MIROSH: Mr. Speaker, many of my constituents in Calgary-Glenmore are entrepreneurs and businessmen, businesswomen, professionals, and they have supported and expressed a great deal of interest in taking advantage of the free trade agreement. We've heard about a wide variety of programs to facilitate increased free trade in Alberta. To the Minister of Economic Development and Trade. What has the department done to help companies take advantage of the free trade agreement? [interjections]

MR. ELZINGA: Mr. Speaker, we have a wide variety of programs available to the business community in helping them access the greater exposure to the . . .

MR. SPEAKER: Order in the whole House, please.

MR. ELZINGA: . . . U.S. market. What we have recently done is held 21 seminars throughout the province whereby we have invited the business community to update themselves as to how they can access that. We are holding two major seminars in Edmonton and Calgary in October, which is export month, so that, again, those individuals who wish to access the U.S. market now that we have a greater exposure to it through the free trade agreement -- we will make sure they do have that information available to them. Our departmental people will work very closely. We also have exchange missions whereby we expose those in other countries to the excellence of the quality of product that we do produce within this province.

MRS. MIROSH: Mr. Speaker, how can a company that has never exported but has the desire and the ambition to do so get started? What assistance is available to these businesses to access these markets?

MR. ELZINGA: Mr. Speaker, it's as I indicated. We have held 21 seminars. We are holding additional seminars to inform those within the small business community who do have greater access to that U.S. market now as to how they can access the market through a myriad of programs that we do have in conjunction with the federal government. We do have an export buyers program. We have a number of publications that outline these specific programs whereby there is financial support given to those within the small business community to have greater access to markets other than our own.

MRS. MIROSH: Mr. Speaker, to the minister. Where are the Alberta major markets, and where will our emphasis be placed in the future?

MR. ELZINGA: Mr. Speaker, that is why we were so supportive of the trade agreement with the United States, because we do the majority of our trading with them, some 70 percent. In addition to that some 19 percent of our markets are in the Asia-Pacific area, and we have a 5 percent exposure to the European community. We recognize within the province the importance of trade in that close to one-quarter of our gross domestic product comes from trade. For every additional billion dollars that we do export the creation of 19,000 jobs equates to that. We

have seen an increase in the export of our products from Alberta year over year over the last number of years, and we are also projecting an additional increase this year over last.

MR. SPEAKER: Calgary-Mountain View, followed by Westlock-Sturgeon, then Ponoka-Rimbey.

#### **Funding of World Blitz Chess Championship**

MR. HAWKESWORTH: Thank you, Mr. Speaker. On October 14, 1988, the Minister of Tourism signed a contract with Mr. Robert Hamilton of Global Chess Group to organize what has since turned out to be a defunct chess tournament in Calgary. Provision 14 of that contract states that

the Contractor shall not assign or sub-contract any rights or obligations under this Agreement without first having obtained the Minister's consent in writing.

Mr. Speaker, on October 21 Mr. Hamilton, under duress, was forced to sign over his rights to two people. One was a friend of the minister's family, Mr. Boby Curtola. The other was Mr. Jon Emr, the subject of a \$15 million law suit for an alleged TV production scam in the United States. This change from Hamilton to Emr/Curtola occurred without the required prior written consent of the minister. Given that the terms of the contract were breached within one week of that contract being signed, will the minister now admit to the Legislature that he had no authority under the contract to authorize the province's \$100,000 expenditure?

MR. SPARROW: Mr. Speaker, we tabled a report which covers a total review of all of the events that took place. The Member for Calgary-Mountain View is reading from a contract which I don't presently have in front of me. The report does clearly show that the department, upon receipt of a request to approve the transfer of the contract from Global Chess to Emr/Curtola was received, they discussed it with the other proponents, the city of Calgary, and after much discussion, recommended that the assignment take place. That's recorded loud and clear in the report. If you want me to read into the record the report with reference to that whole section, I'll gladly do so. It only takes about two pages.

MR. HAWKESWORTH: Mr. Speaker, given that the tourism department's second payment of \$50,000 was made on May 3 of this year and that the very next day, on May 4, the city of Calgary and Associated Canadian Travellers put the whole project on ice, what did the minister do immediately after May 4 to get that money back?

MR. SPARROW: Mr. Speaker, again the events he's discussing are definitely part of the report. It's clearly stated in that report that the payment was due on April 15, and it was received by them on May 3. In discussions with the city administration and Associated Canadian Travellers they had agreed on a 30-day period on May 4, during which Associated Travellers would advise the city with respect to the necessary equity being put in place by Emr/Curtola. In other words, they gave them a time limit to bring forth the equity and on May 4, and early in June after that 30 days had run out is when they took action.

MR. HAWKESWORTH: Well, Mr. Speaker, given the obvious conclusion that the taxpayers of Alberta didn't need to lose a

single cent in this fiasco and that nothing serious was done to recover this money or protect the taxpayers' interests, is the reason for this lack of action the fact that a close personal friend of the minister's family, Mr. Boby Curtola, was one of the principals involved?

MR. SPARROW: Mr. Speaker, the Member for Calgary-Mountain View has continuously in this House used innuendo, misrepresentation, and distortion of the facts to the point that it's irresponsible and misleading to the public. I think the question doesn't deserve an answer, and if he continues to follow through, I think action should be taken.

#### **Farm Leasebacks**

MR. TAYLOR: Mr. Speaker, my question is to the Minister of Agriculture. As you know, time and again in the last few years I've pressed to have the government institute five-year leasebacks on those unfortunate enough to be foreclosed or quitclaimed by the Agricultural Development Corporation on the grounds that everyone deserves a second chance, even the Premier, as Stettler has been to him. Another shot across the bow, Mr. Speaker, a large bow.

In congratulating the minister now on instituting one-year leasebacks, surely he must know, being somewhat familiar with farming, that it takes more than one year of planning to operate a farm. You have to know a little bit ahead of time. Would the minister now consider, seeing as he's accepted one-year leasebacks, moving that up to at least three years, part of the way to my five-year request?

MR. ISLEY: Mr. Speaker, the previous Associate Minister of Agriculture brought in a number of changes in February of 1989 with respect to dealing with stressed accounts. Some of those changes involved the indexed deferral program. Others involved the proportionate quitclaim with the possibility of leasebacks. I'm aware of leasebacks on a year-to-year basis with longer than two- and three-year commitments that are currently in place, but I would stress the point that many of those things are negotiated at the time you're resolving the problems with the stressed account.

MR. TAYLOR: Mr. Speaker, surely the minister knows that many of the people running the Agricultural Development Corporation are city slickers and intending to foreclose as soon as possible. Would the minister go this far then: would he instruct the ADC officials that they at least offer the leaseback in the fall of the year, not in the spring when it's far too late to do any negotiating? At least tell them to make sure that they offer it in the fall of the year.

MR. ISLEY: Mr. Speaker, I would have to take a little offence to the statement that most of the people working in the Ag Development Corporation are city slickers. I would submit that most of them know a lot more about agriculture in this province than the hon. Member for Westlock-Sturgeon, and if I find some that don't, I will be looking for replacements for those positions. The timing of when leasebacks may be negotiated is going to depend entirely upon the timing of the negotiation with the client and that is not always necessarily triggered by the Ag Development Corporation; in many cases that timing is triggered by the client.

MR. TAYLOR: Mr. Speaker, the spark of fire there makes me feel like I've been savaged by a sheikh, but to go on a bit further.

Is the minister aware that for every three farmers that have to quit the land, one small-town business goes under?

MR. ISLEY: Mr. Speaker, the minister is very aware of the impact on small rural communities of farmers leaving the land, and I might add that so is the associate minister. And it is certainly our goal working with the Ag Development Corporation and certainly encouraging other financial institutions to try to develop their policy with the objective of keeping as many people in rural Alberta as possible at the lowest possible cost to the Alberta taxpayer.

### Forest Fire Fighting

MR. JONSON: Mr. Speaker, I wish to direct a question to the Minister of Forestry, Lands and Wildlife, and I imagine, perhaps, the answer might also involve the Minister of Public Works, Supply and Services. As members are aware, and for that matter all Canadians are aware, the province of Manitoba is experiencing a severe problem with respect to forest fires. We know that Alberta has sent, it's my understanding, two water bombers to northern Manitoba. But it is obvious that more pilots, medical assistance, and overall relief support may be needed in our sister province. The Manitoba government is considering calling on the United States national guard for help. To the minister. As a sister province is the Alberta government prepared to offer additional assistance to the people of Manitoba, and if so has this offer been communicated to the Manitoba government?

MR. FJORDBOTTEN: Mr. Speaker, we're not only offering every assistance that we possibly can to Manitoba, but we're also doing the same for the Yukon at this point as well as Saskatchewan. At this point we have two CL-215 water bombers and a bird-dog aircraft in Manitoba plus one heli-tac crew and helicopter left this morning along with a lot of equipment, some 100 tents and shovels and a wide variety of other things, to help equip crews. We also have two DC-6 water bombers standing by in Saskatchewan as well as two CL-215 water bombers that are on what is called a day-chasing at Buffalo Narrows. What they can do is either operate in Alberta, if there's a problem, or in Saskatchewan.

We have two B-26s, also fire fighting aircraft, from Alberta in Saskatchewan. We are also very involved in the Yukon, which has a serious problem, and we have some 56 fire fighters and crew bosses and sector bosses that we have sent there to help them with their problem. So we are doing all that we can. We certainly would do more. I would suggest the hon. Minister of Public Works, Supply and Services may wish to supplement.

MR. SPEAKER: Perhaps he could wait for the supplementary. Supplementary, Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Speaker, and I wish to direct this supplementary question to the Minister of Public Works, Supply and Services. I believe that in the events of Manitoba there's a warning or a lesson to be learned. I wish to ask: does the minister consider that Alberta is prepared for a series of events such as has befallen Manitoba with respect to protecting Alberta's

northern communities and our forests?

MR. KOWALSKI: Thank you very much. Mr. Speaker, this is indeed a most important matter. It deals with preparedness in the event of a disaster in a particular jurisdiction in this country. Members will recall that it was several weeks ago when I had an opportunity in one estimate I presented to point out that, in fact, all ministers responsible for emergency preparedness or disaster planning in the country of Canada did meet in Charlottetown.

But to be very specific on this issue, there is an agreement that Alberta is a participant in, in fact a leader in Canada. I'm sure that such an agreement was raised called the mutual aid resources sharing agreement. In recent days we have offered to the province of Manitoba, and they have responded with a request to us, that we would provide expertise in the area of critical incidence stress; in other words, matters related to trauma. Alberta Public Safety Services has co-ordinated, along with the Department of Health, the delivery of a King Air load of experts to Manitoba last night to assist in dealing with people who are involved in the fire fighting situation, individuals who might be suffering from exhaustion and stress-related trauma. Those individuals from Alberta are there. They arrived last evening in the province of Manitoba, and we have a standing offer to assist, to provide them with whatever expertise the province of Manitoba would request in this matter.

MR. JONSON: Well, Mr. Speaker, I find helpful and reassuring the last answer, but I would like to repeat my question. That is, I believe my supplementary question was directed to our preparedness here in Alberta.

MR. KOWALSKI: Thank you very much, Mr. Speaker. Every community, every municipal government in the province of Alberta has in place an emergency preparedness plan. That's one that has been developed. They began to be developed in the early 1970s in the province of Alberta, when Alberta Public Safety Services was given that directive by this government to ensure that such would occur. Over those years a large number of individuals from our province have been dispatched to a special training session that takes place in Arnprior in the province of Ontario. It's put on by Emergency Preparedness Canada. Dozens and dozens of our municipal leaders each year go to that particular facility to be trained.

In addition to that, it was two years ago in the province of Alberta, in the city of Edmonton, that the Alberta Public Safety Services training centre was established. It's a training centre that trains each week dozens of people with particular skills in this particular area: firemen, local policemen, local volunteers, individuals, municipal government, and the like. We are extremely well prepared. Monday next will be the second anniversary of the worst disaster in the history of the province of Alberta, the tornado that ripped through this city. The response that was shown by volunteers and municipal officials at that time in the event of the disaster that occurred to the people of this area, I think, was reflective of the preparedness of the people of this province.

### Police Investigation into Principal Collapse

MR. WRIGHT: Mr. Speaker, my question is to the Attorney General, and it concerns the Principal affair. It's two years since the lid blew off that group of companies. It's one year

since we knew most of the relevant facts, let alone any extra ones that the police have turned up in their investigation. The Attorney General is the chief law enforcement officer in this province. Still, not a single charge has been laid by the province under the Criminal Code or otherwise. Are we to suppose, Mr. Speaker, that the Attorney General has no instructions for his agents to lay charges under the Criminal Code or at all?

MR. ROSTAD: Mr. Speaker, instructions to lay a charge would be made on the basis of full and complete information. Through the two years of the Code inquiry there were observations . . . [interjection] Pardon? There was a full investigation. There was complete documentation, but those documents were not available to the RCMP as an investigating body. They were the property of the Code inquiry. There's a process now to obtain all of that documentation, some of it earmarked as being pertinent, and I'm sure that we will see, in the fullness of time, charges.

MR. WRIGHT: Mr. Speaker, is the Attorney General suggesting for a minute that his policemen could not see those documents at the time that they were produced in the Code inquiry as public documents, still less, under the authority of search warrants, which were readily available?

MR. ROSTAD: Mr. Speaker, it's unfortunate that the hon. member -- which isn't his usual modus operandi -- makes a big issue that through investigation which is ongoing, charges or civil actions have not been commenced. They will be, when full and complete information is available. You don't go off half-cocked in one of these episodes.

MR. WRIGHT: Yes, going off half-cocked takes a lot less than two years, Mr. Speaker. The Attorney General has probably noticed that the Code report, in effect, removes the defence from the Connies on their \$10 million deal in which they retain \$10 million worth of assets in exchange for the rest going to the receiver. So my question, Mr. Speaker, is: what steps has the Attorney General taken by way of *Mareva* injunction or otherwise to tie up the assets remaining in this province of the Principal Group for the benefit of the creditors of the company including, I'm afraid, the government of Alberta.

MR. SPEAKER: Thank you very much. Question period has expired. Might we have unanimous consent of the House to complete this series of questions and for the Minister of Federal and Intergovernmental Affairs to make reply to the Member for Calgary-Buffalo on an issue which arose in a previous question period?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

MR. ROSTAD: Mr. Speaker, I would like to make it very clear to the members of this Assembly and the public of Alberta that any actions or charges that can be or may be commenced in this, will be, but after the fullness of the investigation. I am not about to discuss the particulars of any particular action in this Assembly.

### Civil Legal Aid Funding

MR. HORSMAN: Mr. Speaker, yesterday in question period the hon. Member for Calgary-Buffalo asked a series of questions relating to programs available under the CAP, the federal program relative to providing social service funding. He asked that I talk to my department relative to the issue, and I've done so and advise this. What happened is that the hon. Member for Calgary-Buffalo or his researcher, someone acting on his behalf, was in touch with the federal/provincial co-ordination unit of the Department of Family and Social Services and not the Department of Federal and Intergovernmental Affairs. So he obviously didn't know where to go. And his allegation therefore that the Department of Federal and Intergovernmental Affairs was in any way responsible for the province "losing millions and millions of dollars because of their mismanagement" -- and I'm quoting from *Hansard* there -- is inaccurate, and that should be brought to his attention.

But I do wish to advise that the issue relating to the matter in question is this: that the federal government requires the imposition of a means test in order to access the funds in question. It is not the policy of the government of Alberta to require a means test for the acquiring of assistance in these areas, and it is not our intention to have our policies driven by those of the federal government, which require means testing, for assistance from our government. That is the federal policy; it is unacceptable to our government.

MR. CHUMIR: Is the minister aware that the women's shelter funding, which the government has now accessed as of two years ago, requires that very means test funding, which the government has met, and that in fact the legal aid system itself has means testing and that the test is easily satisfied?

MR. JOHNSTON: On the criminal side, Sheldon. Just the criminal side.

MR. HORSMAN: That is true on the criminal side, as has been pointed out. This is the civil side, and that means testing is not acceptable. But the fact of the matter is -- I just want to set it very straight -- that the Department of Federal and Intergovernmental Affairs does not negotiate with departments of the federal government for funding programs. If the hon. Member for Calgary-Buffalo wants to get in touch with my department, it is the Department of Federal and Intergovernmental Affairs, not the federal/provincial co-ordination unit of the Department of Family and Social Services.

MR. SPEAKER: Point of order, Leader of the Opposition.

MR. MARTIN: Under section 168 dealing with the Speaker taking no part in the debate in the House, Mr. Speaker, I want to say that when the Speaker rose to finish off what he perceived to be quotes directed to me, I would point out first of all that they were not quotes; they were words that were used in the Code report. Mr. Code clearly indicated that the minister was "neglectful," "misguided," and "even reckless." I would also point out that under the terms of the Code inquiry the inquiry



was limited in what it could find because of the way it was set up by this government. When making the case for a minister's resignation, we don't have to go the next step and talk about dishonesty; we're talking about doing her duties and using those statements from Mr. Code. So I wondered, frankly, why it is that we have to use quotes from 800 pages of a book or whatever to determine what we put into it, Mr. Speaker. I would like your ruling on that.

MR. SPEAKER: There are two citations to be made, hon. member. The first is from *Beauchesne* 323(1).

Questions of order are decided only when they arise and not in anticipation.

And this is the part.

The Speaker is bound to call attention immediately to an irregularity in debate or procedure and not wait for the interposition of a Member.

To an irregularity in debate," which applies also not only to debate but to question period.

Also, in *Erskine May*, 20th edition, a citation on page 338:

2. Factual basis. The facts on which a question is based may be set out briefly, provided that the Member asking it makes himself responsible for their accuracy, but extracts from newspapers or books, and paraphrases of or quotations from speeches, etc., are not admissible.

The Chair felt, not only with respect to those two citations but reflecting upon the emergency debate which was allowed to go forth with this Assembly a week ago, that both in question period and in the emergency debate on that day on nine separate occasions there was only a partial quote made from that report, and all of those quotes were with respect to the item, the one sentence which was read into the record today by the Chair. In the opinion of the Chair selective reading or selective quoting is surely not entirely appropriate or fair to hon. members within this House, and it's one of the reasons for tabling of correspondence or reports within the House or any other Chamber so that all members have accessibility to the complete reports as they are dealt with in terms of the House.

And so it is, in the opinion of the Chair, that at least once the complete quotation should be read into the record, but the Chair also points out that it was after the incomplete quote, or the paraphrasing had occurred, on 10 occasions. The Chair also points out it would do the same for any member of the House in similar circumstances, if they are not being entirely quoted accurately, with any other similar document,

MR. MARTIN: I'm still not sure whether the Speaker is on a point of clarification.

MR. SPEAKER: I'm sorry; there's no such thing, hon. member.

MR. MARTIN: We want to know what we have to do to ask questions in this House, and I think that's reasonable, Mr. Speaker. You said it was a quote. It wasn't a quote, Mr. Speaker. Where do we draw the bottom line on this? Do we have to read 800 pages, then, in everything?

MR. SPEAKER: Order please. I think if the hon. member will review the *Hansard*, he'll see what the Chair has said, and that gives proper delineation in terms of accurate quotes. The whole thing is right there, and the two citations have been given. [interjection] Hon. member. . .

## ORDERS OF THE DAY

head: COMMITTEE OF SUPPLY

[Mr. Schumacher in the Chair]

head: Main Estimates 1989-90

### Technology, Research and Telecommunications

MR. CHAIRMAN: Members of the committee, we are dealing with the estimates of the Department of Technology, Research and Telecommunications. The main estimates are to be found commencing at page 311 of the main estimates book, with the elements commencing at page 135 of the elements book.

I'd like to invite the hon. Minister of Technology, Research and Telecommunications to introduce the estimates.

MR. STEWART: Thank you very much, Mr. Chairman. It's a real pleasure for me to present to the members of the Assembly and this committee the 1989-90 budgetary estimates of the Department of Technology, Research and Telecommunications. I'm really happy that on this particular occasion we have members of my department and my staff and Alberta Government Telephones and ACCESS with us. I'm happy to see them here. Perhaps I will not ask members to greet them by applause for fear they may get more than I did. I'm just happy to have them here.

I'm pleased to have the opportunity to serve as minister of this department, Mr. Chairman, and to meet the challenge which I regard as a critical component of the Department of Technology, Research and Telecommunications in our policy in respect to the diversification of the economy of this province. If we are to maintain in the years ahead, Mr. Chairman, the high level of programs and services that are now enjoyed by Albertans, we must surely broaden the base of our economic activity, maintain our competitive edge, and certainly build upon the physical human and financial resources of Alberta.

[Mr. Jonson in the Chair]

Mr. Chairman, economic diversification is in fact taking place in this province, and the Provincial Treasurer in his Budget Address gave evidence of that fact. Notwithstanding the fact that in our last fiscal year there was not a good reflection in the economy of either of our basic industries -- oil and gas and agriculture -- nevertheless we are still the fastest growing province in Canada, with economic growth around 7 percent. Unemployment reached its lowest level since the 1980s. Retail sales were the second highest per capita in Canada, and manufactured exports were up by 8 percent. So now I would suggest, Mr. Chairman, that it is obvious that something is working out there, and we are in fact achieving a much greater degree of economic diversification than anyone even realizes. I am pleased that the advanced technology industry is certainly part of that reason.

Our Premier had the foresight and, indeed, the confidence in Albertans when in 1986 he moved to single out areas of strength in our province which we could build upon and broaden our economic base. Tourism, forestry, and advanced technologies were identified as capable of achieving real economic growth, and it's paying off. Research and development are essential to

maintain our competitive edge in existing products and services, as well, of course, as development of new technologies.

Mr. Chairman, shortly after I was appointed minister, I made a point to conduct sort of a personal assessment of our efforts to date in research in the advanced technologies in the province of Alberta. That assessment process will continue as we further define our objectives and policies to build on the strengths of our province and its people. I had the opportunity to visit our major universities, our research centres and institutes, to meet with our research authorities, to tour the Alberta Research Council, and to consult with advisory groups and industrial organizations. Let me tell you, then, what I have discovered in the course of that assessment so far.

We have an advanced technology industry in this province that consists of over 1,000 companies directly employing 40,000 Albertans, the majority of whom are highly skilled. They generate more than \$1.5 billion in revenue per year. They execute their own research agendas of more than \$200 million per year. We have companies that not only compete with the Pacific Rim, they export to the Pacific Rim.

Included in Alberta's advanced technology sectors are some notable success stories. For example, NovAtel now commands a major portion of the North American markets for cellular communication systems. LSI Logic recently opened the largest integrated circuit manufacturing facility of its type in Canada. Northern Telecom continues to make telephone and telecommunications equipment in Alberta which is penetrating markets around the world, and Sherritt Gordon is recognized internationally for its work in advancement of materials technology.

As well, I discovered that there is a real commitment and enthusiasm among our department personnel, our institutes and technology centres, our universities, and indeed among our business leaders to ensure that Alberta is on the cutting edge of new technology. They are creative and innovative in their thoughts and entrepreneurial in their style. Furthermore, Mr. Chairman, I sensed a common realization out there that we are in fact part of a global marketplace where new technologies, new ways of doing things, are necessary to improve our production, increase the types and quality of our products and services, and keep our input costs at comparatively reasonable levels; in short, to ensure that we are competitive in that new market environment. Mr. Chairman, I also discovered the high calibre of scientists, technicians, and administrators who are involved in Alberta's research and development. I was also impressed with the dedication and commitment of many volunteers who serve on boards and lend their time and talents on behalf of the people of Alberta.

My tours and visits also made me aware, Mr. Chairman, of some challenges. I'd like briefly to identify a few, because I think they indicate the future directions that we must go in the development of this particular industrial sector. There is a lack of awareness of not only what has been accomplished and what exists but of the importance of science and technology to our future. We have to work on developing a positive mind-set in advanced technologies. I discovered that not enough young people, particularly females, are looking at science as a career. Our universities themselves are very concerned by the potential shortage of researchers and teachers for the future. I believe we have to work with the Education and Career Development and Employment ministries to meet that challenge.

I discovered as well that while we have established a tremendous infrastructure of support for R and D, including centres,

institutes, foundations, and universities, which certainly provide valuable and unique opportunities at the basic research, applied research, and development stages, we do have a challenge ahead to ensure the successful commercialization of that research. No one is into research for the sake of doing research.

Mr. Chairman, I discovered that there are risks as well as rewards as we attempt to provide assistance in a variety of ways to key components in priority areas of the advanced technologies. In some cases patient capital is required to permit the evolutionary move to commercialization. Furthermore, I discovered that the majority of our advanced technology companies are small, with limited resources. They need encouragement and support. A handful, on the other hand, are on the threshold of becoming major companies and must successfully penetrate new markets and manage their growth. We need to develop or attract more major companies to Alberta to join the ranks of NovAtel and Northern Telecom and LSI Logic and Sherritt Gordon as industry leaders and significant generators of economic activity in their own right.

I also discovered, Mr. Chairman, a need to provide for a greater collaboration and co-operation among the academic, industry, and government. The buzzword is synergy, getting a bigger bang for the research buck.

On the whole, Mr. Chairman, I moved around. I did kick the tires of science and technology and concluded that those tires are in fact rolling, and they're going in a good direction. We have competent researchers, first-class universities, an infrastructure of support systems and services such as the Alberta Research Council, the Alberta Microelectronic Centre, Alberta Telecommunications Research Centre, the biotechnology pilot plant at ARC, the Electronics Test Centre, and the Laser Institute. We have established business incubators, research and development parks in our major centres, technology transfer activities by our universities, and other initiatives designed to support our advanced technology industries and nurture their development.

Returning to the department itself, Mr. Chairman, part of our mission is contributing to diversification through support for the creation and expansion of technology-intensive manufacturing companies. Manufacturing, in this case, means the production of technology-intensive goods and services, including the software industry. The majority of these are small but have good potential. Not all will survive, but in the process the spin-off benefits will enhance our objectives of moving the industry and the technology forward. We also believe that we will see many of our advanced technology companies maturing in terms of development of second- and third-generation products and penetration of markets beyond Alberta's and Canada's borders.

In vote 1, Mr. Chairman, members are asked to support the important work of the department in the development and commercialization of technologies. The amount requested is approximately the same as last year. Members should note, however, that while salaries, wages, and benefits show a significant increase. Supplies and Services offset that increase by reason of the transfer of certain staff from contract to full-time equivalent positions.

In vote 2 Grants and Investments are down in respect to research projects by virtue of decreased amounts required for some multiyear funding agreements. The development of technology products funded out of vote 2 includes various steps: basic research, application research and development technology transfer, product development and, finally, commercializa-

tion. The department's strategies and funding programs attempt to parallel this process. Identified priorities include biotechnology, advanced materials, information systems, electronics, and telecommunications.

Before moving to vote 3, Mr. Chairman, I want to specifically refer to two important areas of medical research. The Alberta Foundation for Nursing Research is responsible for the administration of nursing research funds in identified areas of nursing research directed towards improvement of nursing care as well as the provision of a mechanism for evaluating research proposals. The budget increase in the year is 64 percent to recognize the commitment we have to this foundation and the important work it and the researchers involved are doing. The dedication, commitment, and enthusiasm surrounding the people of this foundation is indeed outstanding, and the quality of projects undertaken will serve Albertans well in the years ahead.

A medical innovation fund has been established for the commercialization of Alberta medical research. The program is operated through the Alberta heritage fund medical research foundation to capitalize on the experience in the medical research field and the high degree of credibility within the Alberta medical research community. The purpose of the program is twofold: to provide assistance to enable Alberta companies to commercialize medical research arising out of Alberta institutes, development of new drugs and medical devices; and secondly, to increase the capability of Alberta's medical research infrastructure to handle developmental research. All projects will be required to demonstrate due regard for environmental consideration and human health care. The amount allocated is \$2,333 million this year.

Mr. Chairman, any discussion of the estimates would not be complete without due recognition of the work of the Alberta Research Council. Estimates for the ARC are contained in vote 3. This council was established in 1920, a first in Canada, and the quality of its people, its work, and its contribution to the advancement of technology in so many areas is world class. I am so pleased that my colleague the Member for Pincher Creek-Crowsnest is once again the chairman of the Alberta Research Council, and I know he does want to add some comments with respect to the council today.

Mr. Chairman, vote 4 contains the budgetary estimates of the Alberta Educational Communications Corporation, better known as ACCESS. It's in its 16th year, and I do indeed feel fortunate to have the opportunity to work with ACCESS, its board and its staff. They are extremely dedicated to quality programming to meet the educational, cultural, and informational needs of Albertans through audiovisual as well as graphic and print materials and services. I was pleased to meet the board and the president and many staff, and I'm pleased with their commitment to quality outreach programming. ACCESS is very actively involved in the science field within areas of the school curriculum and general-interest programming for Albertans. The series *Discovery Digest* is in its fifth year. The popular program *Homework Hotline*, which is presented in co-operation with the Alberta Teachers' Association, is another example of educational outreach that is really working. It continues to improve and attracts a wide variety of viewers of all ages who find it educationally valuable and informative.

Mr. Chairman, I do want to leave some time for the hon. members to make their comments and ask questions, but I know the hon. Member for Pincher Creek-Crowsnest would like to make a comment or two with respect to the Alberta Research

Council.

MR. DEPUTY CHAIRMAN: The hon. Member for Pincher Creek-Crowsnest, in his capacity as chairman of the Alberta Research Council.

MR. BRADLEY: Thank you, Mr. Chairman. I'm very pleased to participate today in the estimates of the Department of Technology, Research and Telecommunications, and in particular to comment on vote 3, which provides funds to the Alberta Research Council. The minister has noted the establishment of the Alberta Research Council back in 1920, and it plays a very integral role in the economic well-being of our province.

Rather than get into specific items in the Research Council, I wanted to comment on a document which was recently put out on June 9 called *Directions*, which lays out a strategic plan for the Research Council into the 1990s. This document was developed by our president, Dr. Clem Bowman, and the Research Council staff, and was reviewed by the Alberta Research Council board. It is a follow-up to the long-range plan which was presented in 1979.

I'd like to briefly review what was set out as the objectives of the Research Council in 1979 in that long-range plan. It was focused on a dual resource, high-technology strategy where we would continue to advance the resource industry of the province. At the same time, we would have a parallel development of high-tech industries, particularly in the areas of biotechnology, microelectronics, and computer software.

Well, Mr. Chairman, the 1980s saw unprecedented activity at the Alberta Research Council and its facilities. We saw the establishment of the Devon Coal Research Centre at Devon, which is partially an Alberta Research Council facility, CANMET, and the Canadian Coal Mining Research Company. We saw expanded oil sands activity at Clover Bar in conjunction with AOSTRA. We saw the establishment of the advanced technology/industrial technologies division of the Alberta Research Council in Calgary, particularly focused on expert systems, artificial intelligence, and robotics. We saw the development of the Mill Woods facility, the main laboratory and administration facilities of the Alberta Research Council, which is the largest single investment in Canada in a research facility in the decade in which it was developed, which is a significant development there. We saw the establishment of the Electronics Test Centre, which is a one-stop testing and engineering development facility providing services to the electronic industry in Alberta; the setup of a biotechnology pilot plant, which is the best equipped scale-up facility of its type in North America. We have companies from California, in particular Biosys, which are using our facility to scale up an organic pesticide. This is the type of facility we've developed. We have the forest products testing laboratory established. One of the products which has been developed there by innovative technology is waveboard, but particularly focused on the development of our aspen resources in the province.

So the Alberta Research Council, from that long-range plan in 1979, is one of the cornerstones of the Alberta government's policy of economic development and of Technology, Research and Telecommunications.

I wanted to review briefly what the mission statement of the Alberta Research Council is. The mission of the Alberta Research Council is to advance the economy of the province by promoting technology development; secondly, by performing

applied research; and thirdly, by providing expert advice, technical information, and scientific infrastructure that is responsive to the needs of the private sector and supports the activities of the public sector.

I wanted to comment on the strategic directions in which we are headed in the Alberta Research Council. In today's rapid technological change and global competitiveness, the Alberta Research Council's approach is that it is imperative that it be able to adapt in a flexible manner and take innovative approaches in the future. We must be able to manage our existing programs, at the same time introducing new ideas and new priorities. Now, what are some of the strategic directions in which the Research Council will be moving into the 1990s? We will continue to support the resource industries and continue to look at expanding our high technology industries. But the key to the future we see as developing and promoting linkages between our existing resource industries and our high technology industries. We see that as being a major focus in terms of industrial development in our province in the future.

Secondly, the Research Council will be providing a flow of national and international technologies to Alberta industry. It's important that we have that ability to transfer that technology to our Alberta industries so they can remain competitive into the 1990s and the year 2000. The Alberta Research Council will continue to maintain a resource inventory and assessment programs, such as the current ones we have of the Alberta geological survey and the soil survey. We also must have a balance between short- and long-term research.

There are two additional roles the Research Council plays, one being that it's the research arm of the provincial government, and secondly, it is a provider of research and technological services required by private industry. The challenge now and in the future will be the pursuit of science and technology to assist in solving industry problems.

Currently, Mr. Chairman, over 75 percent of the Alberta Research Council budget comes from the Alberta government. Half of that is in a direct grant, the vote which we are discussing today in vote 3. The other 25 percent comes in the form of contracts from Alberta government departments and agencies. The remaining 25 percent comes from private-sector and federal contracts. In our strategic document *Directions*, our goal by 1992 is to reduce the provincial funding to the Research Council to two-thirds of our budget and receive the other one-third from private contracts and from federal government contracts. We wish to maintain a constant effort grant from the province, so in terms of meeting that one-third target from private and federal contracts, we'll be looking at increasing that area significantly in the period ahead. I should note that the Alberta Research Council is the best funded of any of the provincial research councils in Canada. The support we receive from the Alberta government is greater than that of any other provincial research organization in the country.

I now would like to focus on the future priorities in terms of the Research Council. Firstly, we'll be developing strategic alliances with the private sector to perform generic research. Secondly, we'll be promoting joint projects and consortia with private and public sectors. Thirdly, we'll be providing for client input into program definition and execution. Fourthly, we'll be providing assistance to minimize competition with the private sector. Fifthly, we'll be forging collaborative links with the Alberta research institutes and universities to enhance overall research effectiveness. Sixthly, we'll be looking at joint col-

laborative associations with Canadian research organizations. Seventhly, we'll be establishing business development and marketing procedures for the Alberta Research Council. Eighthly, we'll be more actively pursuing international opportunities.

We feel that the key in terms of increasing R and D in our country, since there are limited dollars in the nation, is to look towards networking as one of the keys to increase our effectiveness in terms of research and development across the country. The Alberta Research Council is involved in networking. We've signed memorandums of understanding with other provincial research organizations, with the National Research Council. In the province we've signed memorandums of understanding with SAIT and with the University of Calgary. We also have a memorandum of understanding with the Saskatchewan Research Council.

One of the new initiatives that we'll be looking at in the future -- I'm only going to comment on four today, but they are exciting areas for the future in terms of technology and research in the province -- is the development of land related information services. The Research Council, with its expertise in the area of land related information services and geographic information services, is going to be a key player in terms of that future initiative, which will look at integrating technologies required for automated decision support systems for land related information. This is going to be a key in terms of planning commissions, of resource industry focusing on the province, and other areas.

Secondly, we have an initiative with regards to the Canadian space program. There's currently, I believe, a \$1.4 billion program in Canada for the Canadian space program; \$160 million of that is going to be allocated to western Canada. The Alberta Research Council is working with other Alberta industries and western Canadian provinces in terms of that initiative to ensure that these benefits come to Alberta and the west. We currently have in the space area, in our biotechnology area -- some of our scientists have been working with NASA in terms of biotechnology research in space. We also have have contracts with SED Systems in this area.

A third key area we see for the future is in the area of hydrogen. There's been an advisory committee with regard to hydrogen opportunities in Canada. We feel that with the base that Alberta has in the petroleum related industries and the use of hydrogen in this province, it's a key area for the future. Particularly if the greenhouse effect becomes true, there'll be initiatives to reduce the use of hydrocarbon fuels, and hydrogen is a perfect alternative. We feel it's a key area for Alberta to be involved in in the future.

Finally, we have a construction technology centre initiative with the National Research Council in Calgary, looking at the use of our expert system technology. We feel that's an important area for the future.

I want to just briefly, in closing, review our joint research venture program and comment on two successful joint research ventures and the way in which the Alberta Research Council can transfer technology to the private sector and develop our economy. One was with Inters Technologies. The joint research venture was in the area of airborne synthetic aperture radar information, which is a high-technology term. This facilitated the movement of vessels through ice-infested waters. That company, as a result of working with the Alberta Research Council, has come up with their starview system\*, and they just

\*This spelling could not be verified at the time of publication.

recently signed a \$56 million contract. So that's one area in terms of joint research ventures where we feel the Alberta Research Council has been successful.

Another is with regard to Standen's, a leaf-spring manufacturing company in Calgary, where we were able to assist them through a joint research venture in installing a robotic work station which has improved their efficiency.

I'd like to comment briefly in the area of coal research which is taking place at the Alberta Research Council. We have signed with the Electric Power Research Institute of Palo Alto, California, and a number of other industry and research institutes a contract to develop a pilot coal oil agglomeration plant. That facility is currently up and running at our Devon research facility. The total cost of this project is about \$4 million, and a six-tonne per day pilot plant is currently working in that very significant research area of coal oil agglomeration, proving that technology which will be important for Alberta and the west in terms of accessing our low-sulphur western coal into the Ontario marketplace and other marketplaces.

I just wanted to comment, in closing, that I've invited all members to tour the Alberta Research Council facilities on August 9. I look forward to showing the members the facilities we have there and answering any questions they may have. I wanted to say, in conclusion, the Alberta Research Council strives to be a pacesetter organization which is committed to scientific excellence and effective technology transfer. The Alberta Research Council is prepared for and looking forward to meeting the challenges and opportunities in the 1990s.

Thank you, Mr. Chairman.

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

MR. McEACHERN: Thank you, Mr. Chairman. It is the first time I've had a chance to stand up and speak to the Technology, Research and Telecommunications estimates, so I found the introduction by the minister and the chairman of the Alberta Research Council interesting and helpful. They make some good points, and certainly there is much on the positive side in what this government has done in terms of improving the level of high tech in this province and helping to diversify the economy. There are, as the minister said, a number of challenges and a number of problems, a few which they left out perhaps, and perhaps I can raise some of those questions.

The minister pointed out a number of challenges. A lack of awareness in the public: I agree with him on that. In fact, if you look at the David Suzuki kind of line, our Assemblies across this country -- and this one being no exception -- most of the members are not scientifically literate. Most of them are educated in the social sciences and the law field and that sort of thing, and he feels this is one of the basic reasons that we have a lot of trouble in our society. Science tends to drive the directions we go, and the members of our Legislatures sort of catch up afterwards and sort of react to what's happening rather than being really tuned in. So I agree with the minister that there's a lot to be done in that field in working with educators.

I guess I would ask him to comment on a \$100 million proposal for a science centre that's floating around under the name of one Mr. Jim Gray, the idea being to use lottery funds to the tune of some \$100 million to establish science centres around Alberta. I'm at this stage just trying to assess what that proposal is and whether that's the direction we should be going or not,

and would be interested if the minister has some comments on that particular proposal.

The minister talked about the infrastructure, and we have built some good things into that, particularly in the multimedia services area, ACCESS -- I agree with him in his comments there -- and also in the setting up of the Alberta Research Council. I guess the problem that arises out of the comments made by both of the previous speakers, in terms of research development and then trying to commercialize the findings or the inventions, is that as soon as you start talking about dollars being made by that research, then there starts to be some vested interests. It's interesting to note that the chairman of the Research Council said that the Research Council is trying not to sort of compete with private enterprise, and in a way that's commendable. Certainly if you're talking about helping one company get a jump on several other companies that are operating in the province, by putting dollars into them, that's an unfair advantage. Certainly the government has some problems of that sort, as I've had businessmen come to me and say, "Hey, my competitor is getting some unfair advantages." I think that's been happening in the steel industry a bit; it's been happening in the trucking industry, not directly under the responsibilities of these ministers, I realize, but nonetheless related to the same kind of problem.

On the other side of that, if the Research Council is making some breakthroughs in technology through its research, then should it not be able to reap some of the benefits in terms of commercializing that invention? So there is another side to that, and particularly, I guess, if you've moved into a new technology area where there isn't much competition here in Alberta in that area but you are rather competing with, say, other big companies based in other parts of the world. So perhaps there is some room for the Research Council to get some return on some of its investment in some industries without putting other entrepreneurs in Alberta out in a way that would be unfair.

I think the problem of the glass plant in Redcliff, although it's under Economic Development and Trade, I realize, nonetheless is related to high tech, or at least it could be if you considered that what Enfield wanted to do was either upgrade the Redcliff plant or upgrade the plant in Vernon, B.C., and our province got outbid by the B.C. government in terms of who would put in the most dollars to help them upgrade to the highest level. It seems to me it illustrates one of the fundamental problems we have in deciding to support industries that may be taken over by what I call a paradox in the attempts we make to enhance Alberta industry and diversify our economy. At the same time we're trying to diversify it, we're also going into a free trade deal which intensifies competition and allows us to get into this globalization which the minister talked about. In fact, in some cases we're going to lose out not by any fault of our own particularly, like in the glass plant in Redcliff, but by the fact that events are already proceeding in other countries at a pace we may not be able to match. I just say on the glass plant example that two big companies in the United States have taken over two-thirds of the glass industry of the United States. So it wouldn't matter how much money we'd put into the glass plant in Redcliff; we may not have been able to compete five or 10 years down the road. That industry in the United States could swallow up our efforts here.

So it's important that the minister and the chairman of the Research Council recognize that paradox in our policies and be very careful as to where they put money, in what industry, and

what chance we have to compete in that globalization world. Otherwise, you can pour a lot of government dollars into an industry and still have it swallowed up and taken over and the jobs be exported, if you like, to that other country where those other industries have swallowed up or taken over our industry, and we're left having spent a lot of money and not being able to get anywhere. If we don't recognize that in our attempts with the western diversification fund, which I know the research technology keeps in touch with, and with the Economic Development and Trade department, then we're going to spend a lot of money and still be overtaken in many cases. It is a very fine line that we have to tread. I must admit that the minister has a difficult job in helping to pick winners and losers, in effect, and that is going to be perhaps the biggest problem he has in this area.

Now, in terms of picking winners and losers, one of my concerns is that sometimes the government, rather than doing it strictly on the criteria of the merits faced with the globalization problems we just talked about and the concern about competing with other industries here in Alberta of a similar kind, picks winners by picking their friends. I'm not going to spend a lot of time on that or blame them a lot at this stage; we do that specifically when we get specific examples in question period or whatever. But I want to say it's a concern, and a general concern, that the government has to look at very carefully. When companies that get government money also donate back to the Tory party, it doesn't look good. When companies receive grants from several different departments, you have to know that they've got some strings to pull that nobody else has, or else the government has made a commitment to that particular company and that particular industry.

If it's a sound decision to do so, so be it, and all the more power to that industry. But if the government is going to do that, they have to put forward a longer term plan than just a one-year budget and explain why a particular company -- and I'll just name a couple: GSR and Myrias Corporation -- has received money from several different departments of the government. I was assured in the Assembly some time ago that there is a sort of single point of entry in the sense that one department or one person or somebody in charge of one program in the government does know of all those things so that we don't have a company playing three different departments with nobody knowing the connections. But if that's the case, then the government is, I think, duty-bound to put out more than just the usual little press release that says: "Hey, isn't this wonderful? This company has won a prize in Montreal" -- as I think Myrias did, you know, and I congratulate them on that -- or "GSR has got a laser technology that is in the forefront of that industry in the world." They have to explain the long-term direction and why and what and that the intention is to continue to support that industry for these reasons, for this purpose, to accomplish some particular thing.

I know and understand that some of the companies will not succeed. If you're going to get into a certain amount of venture industries, then you are going to expect that a few of them will not succeed, and I think of an example like Biotechnica Canada Inc. Vencap gave them some money and they lost some \$8 million there. I don't know -- this isn't directly this minister's direct responsibility; I think some of that money came from Vencap. But there is an item in the estimates here, some \$7 million in the biotechnical area, and I'm wondering if some of that money is going to this particular company. I don't know that it is. Perhaps the minister could answer that. I note also that this

company, having lost quite a bit of government money, is now asking to be part of an Alberta oil seeds biotechnology research institute, and I guess I want to know if the aim there is that that institute should be a nonprofit institute, or if not, what kind of an organization is this going to be? It doesn't sound like a Crown corporation. It doesn't really sound like a research institute of a normal type, not if the company's intending to make some profits from it. So it would be interesting if the minister would comment a little bit about the direction of that particular company.

Now, there is another aspect of technological changes that the government is saying is good. In a sense they will put us at the forefront of technological changes. That idea is a fairly good one, but I might just remind everybody that farmers have been on a technological treadmill ever since about 1905 when McCormick invented the first reaper. You have to have a bigger and better farm, and you have to scramble like crazy and borrow more and more money and get bigger and bigger and bigger to be able to continue to compete in the farming industry. That's been going on now for some 75 or 80 years in this country. We're losing farm families like crazy and destroying a whole way of life in the rural parts of Alberta because the development of new technologies makes it harder and harder to have the reasonable sort of human existence that made farming the way of life that it used to be.

So that same problem exists for workers in the industries of this country, including the technical industries. I think you have to look at and recognize the downside of changing technologies regularly and as rapidly as possible and putting a lot of money into seeing how fast you can build a better and faster computer. Now, do we really want to load our landfill sites -- because we still haven't learned how to take care of the environment yet in this country -- with new computers that are out of date every few weeks? If we keep going faster and faster and get this treadmill going faster and faster, it'll be every few days. Now, remember that doing that also puts a lot of workers on the local dump as well. It puts them out of a job, and you have to figure out how to retrain them and how to get them back into being a productive member of society.

By raising the question, I'm not suggesting that you try to stop new technologies and that you don't work on new research. I'm merely raising an important aspect of the problem of increasing and changing technologies rapidly. We certainly are into that mode in this society. We seem to have cast the workers aside and said that the only thing that matters is the bottom line. And in some ways we are saying that it doesn't matter who is making the bottom line. If he happens to be based in Houston, that's fine; if he happens to be based in Tokyo, that's fine; if he happens to be based in London, that's fine. We're leaving our people at risk and our jobs at risk in many instances.

I know some of the initiatives taken by the government. The Research Council here in Alberta is trying to claim some of those jobs for Alberta, and to some extent we're having some success. But there is, in some industries certainly, the danger of losing those jobs as well and letting the benefits of the new technologies, the new globalization, go to people in other parts of the world, and we will get left out to some extent. We certainly can't win them all. So it is a difficult world we move into, and the regret is that we cast the workers aside. I see that in the labour legislation that we passed in this Assembly -- that the government passed; I claim no credit for passing that antediluvian legislation last spring.

Now, on the other side of that argument, obviously you can't have your workers living in a fool's paradise where they are working at inefficient jobs. I mean, if they're working in an inefficient industry, you would want to make that industry a little more efficient and free up those workers to be able to do something else that is also productive, and not have 10 workers doing a job when six could do it. You could take the four workers and put them to work on something else and still have the benefits of producing the same amount with six workers that previously took 10 to do. We could all agree to that idea of improving our technologies. But it has to be done at a time and a pace and in a way that doesn't leave some of our workers on the junk heap along with the old computers that we threw out because somebody invented a better one.

The benefits of the new technologies have to be spread throughout the whole society, throughout all of the people, and help to fund the education systems that retrain those people so they can be productive in another field. So far I don't think the record of Canada has been very good. Over the last 10 or 15 years we've been running unemployment rates in the neighbourhood of 10 to 15 percent a lot of the time across most of this country, including Alberta. So we need to stop and take a bit of a look at just where we're going with this high technology and this idea that new is better, and bigger is better, and faster is better, and try to move in a more orderly way.

Those are some of the general comments I wanted to make, and now I'd like to take the last bit of time I have -- I'm not sure how much time I have left -- to talk a little about some of the specific votes or ask a few questions on some of the specific votes on pages 136 and 137 of the element details.

Votes 2.1.1 to 2.1.8 indicate a number of different types of industries that are getting money from the government. I notice that most of these items are budgetary items which I believe means grants as opposed to what would be nonbudgetary items, if there were any in that section, which would be loans and therefore would be coming back. I guess I'd like to ask the minister to comment sort of on the general direction there. You notice that that changes as soon as you get down to 2.2.1. There's a very large nonbudgetary item and it is, I gather then, a loan of some \$7.1 million as opposed to a budgetary item, which I believe would be a grant. If I've misjudged the terminology there, then the minister could correct me and perhaps explain what's going on with that.

I would like to ask also about vote 2.1.6, the \$1 million there. Is that anything to do with GSR? It's not clear from that; it's not specified which industry that is. Is that new money going to them? I think a short time ago we totaled up their help from the government in terms of equity, loans, and loan guarantees -- a combination of those things -- to be some \$30.5 million. Now, would this \$1 million be included in that, or would it be over and above that? Is it some new money?

I guess while I'm on GSR for a minute, I would like to ask the minister if he would talk a little bit about that industry, about that particular company. They claim to have a laser which is the latest and best technology in that area and to be shifting their emphasis from trying to get defence contracts to getting other more commercial contracts, I believe, in the clothing industry sort of area. I'm very interested in this company and, of course, one would like to see it succeed. But it is one in which the government has, I think, four members of the board of directors out of the seven. Correct me if I'm wrong on that. It makes me wonder, if that company has the technology, why it doesn't

seem to have been able to get the contracts that would really push it to that next level of success that, of course, you're striving for and mentioned earlier when you were talking about some other companies. Perhaps the government should look at the model they've set up. Perhaps they should be considering whether they should set it up as a Crown corporation and make some other kind of more formal arrangements with how it works, look at the people they've hired -- and I'm not casting aspersions on anybody; I don't know the individuals well enough to know that. I do know there were some donations back to the Tory party at some point in the past. So I don't know if there are some vestiges left over there of problems.

Sometimes, it seems to me at least, we set ourselves up for this possibility: that the people the government picks to put in charge of some of these companies which they give favoured treatment to can get the idea that they got the job because of their connections to the Tory party, and therefore not necessarily purposely abuse -- although I think that's happened in some instances -- but certainly have the feeling that they don't have to perform because they have the ear of the right people and the connections with the right people and that they're secure in their positions. There is that danger whenever a government starts picking winners and losers. So it's really important that the government take a really good look at those companies which it has decided and picked out to be winners. You're not going to succeed all the time -- and I understand and accept that -- but you've got to look very carefully at the reasons for failure and how you're operating those particular ones that you've targeted for success. So I'd ask the minister to look carefully at that.

I guess I would like to ask about vote 4, which is the money for the multimedia; in other words, ACCESS: some \$16.4 million. I was glad to hear what the minister said about that vote, and I would like him to reiterate or maybe explain a little further. There was some move, it seemed to me, by the government a year or two ago to think in terms of cutting down and perhaps even privatizing ACCESS, and I guess I want to just raise that question. I didn't hear anything in the minister's comments that would indicate that now, but would like to hear some reassurance from him on that topic.

Vote 2.2.7, Emerging Technologies: is that the money that the minister was talking about going into the medical research? No, that's vote 2.2.8. What particular projects, I guess would be my question, then, on 2.2.7 -- the \$3 million there on Emerging Technologies. Would the minister explain a little bit more about that? He's already explained some about the Medical Innovation part.

I guess I would end my questions and suggestions with one last plea to the minister to consider carefully why he has decided not to release the Alexander committee report on AGT. It would seem to me that it's a bad precedent to start his new ministry, that there's an awful lot of information that the government gleans that is no really big deal to keep secret. And I'm sure this is one of them. I mean, the debate on the privatization of AGT will go ahead with or without the report, and it would seem to me that that report, if it was well done, should be able to add something to that debate and give us some harder facts to work with. I don't mind disagreeing with the minister on a direction, on a philosophical point of view about what should be done with that and he shouldn't mind disagreeing with us. If he's got some ammunition that takes one side -- maybe even it's a side that he doesn't agree with -- how do we know what Alexander really recommends? And maybe the minister would

not agree with it -- maybe he would -- but it would be nice to have that out before the public so we could have that kind of a debate. I think that would be true of a lot of the kinds of things he's going to be in charge of over the next three or four years if he stays the Minister of Technology, Research and Telecommunications.

So I would ask him to reconsider that, and suggest that he should take the attitude that unless there is a very, very good reason for keeping something secret, it should really be released. It reminds me a bit of some of the attempts by Americans and Russians to spy on one another and keep big secrets and worry about who's selling secrets to whom, when in fact there are very, very few things that are really secret. I remember stories about Russians being able to buy for \$2 the latest pamphlet giving them the latest technology of what was going on in the aviation industry in America. So, you know, big deal. I mean, some great cloak-and-dagger secrets about why we should keep this or that information secret doesn't really make an awful lot of sense even at that level of supposed national security, let alone at a provincial level, when really all you're talking about is who's going to get elected to run this province of ours and enhancing the democratic process by having the most and best information available to all of us.

So with those comments, Mr. Chairman, I will yield the floor to the next speaker.

MR. BRUSEKER: Mr. Chairman, I'd like to congratulate the minister on being reappointed to the Ministry of Technology, Research and Telecommunications. Perhaps he can pass a motion in council and have his pay awarded on the basis of the length of his title, and then I'd be sure he'd be getting the most salary of the ministers.

Nonetheless, there are some interesting points in here that I would like to ask the minister about. Going right back to the very first page in the book, page 313 of the main estimates, it's a small item, but I'm just curious as to why we have an increase of \$40,000 in Purchase of Fixed Assets. I trust that was to purchase some specific item, and I just ask the minister if he could address that. It's a small point, but it's something that sprang up. Percentagewise it looks very impressive.

I have a question on the next section in vote 1. I've heard of something called the Alberta Telecommunications Research Centre. It was, as I understand, to promote the transfer of telecommunication products between the research stage and the private sector. I'm wondering, if it's getting funding, should it be in here? I don't see it anywhere, and my question is: where is it? If it's getting funding, how much funding, and what is it doing? Mr. Minister, if you could address that issue, I'd be grateful.

As I looked at the various estimates in vote 1, I found myself wondering what was the rationale, I guess, between, for example, the decrease in Planning and Co-ordination and Investment Development and Promotion -- votes 1.04 and 1.06 respectively -- and an increase in Financial and Administrative Services. I'm not sure why some go up and some go down. Perhaps if the minister could address that issue, it would be a worthwhile discussion. I'm particularly concerned with the decrease in Investment Development and Promotion. I agree with the opening comments the minister made that the development of technology in the province and the industries that will come out of that technology could be a real boon to economic development of this province, and when I see a decrease in de-

velopment and promotion, I have to question what the motives are to have an increase on one hand and, on the other hand, to have a cut in the budget. It doesn't seem to jibe with the stated goals of the government. With respect to Planning and Co-ordination, I see it's gone down this year. It went up last year. Again, a bit of a question: why did it go down, and why did Finance and Administration Services go up a little bit?

In the next section, vote 2, the objective of the program, it says, is

To provide financial assistance in support of research and development activities and the transfer and commercialization of new technology, in order to increase the competitiveness of

Alberta's technology products, processes and services,

which sounds like a great objective, but with all due respect, Mr. Minister, as I look at the elements book, which breaks it down, there seems to be more missing than what is there. I wish I could see things like: what are the projects in the different areas? How much money are they getting? How many jobs are being funded? How much on a percentage basis is private industry putting in? How much on a percentage basis is the provincial government putting into the development of these businesses? Although there are listed here some, shall we say, subject areas, I don't see anything with respect to particular companies or programs or projects that are being implemented. I would really like to know what's happening, for example, in biotechnology. There's nothing in there, and yet there are some great biotechnology firms in the province. Alta Genetics, which I'm sure you're familiar with, is doing some fantastic work -- it just sent cattle to Russia by air -- and I see nothing here in the budget with respect to supporting them. So I wonder why it's in there, I guess.

A couple of questions specifically relating to that area. There's quite a decrease in vote 2.1.4, a decrease in Computers and Software in terms of the budgetary allowance, a little over half a million dollars. Yet further down the page we see a tremendous increase in nonbudgetary items from zero to \$3.5 million. I wonder if you could address that, please, Mr. Minister, because I'm not quite sure why on one hand we drop half a million and then throw in an extra \$3.5 million in a different place in what appears to be two relatively related areas.

On vote 2.2.7, as I understand the mandate of this ministry, much of the technology coming out is emerging technology. Under 2.2.7 there is a category that simply says Emerging Technologies. I'm wondering if perhaps we could have some indication as to what it is that we really have in being involved in here.

In terms of overall vote 2.1, in general we see a decrease of 37.3 percent, and I have to wonder what the rationale is there. Most of them, as we see, are showing a substantial decrease, only one being increased, and I'm wondering why we're seeing a tremendous decrease in there. Again, going back to the opening comments the minister made that we're looking to increase technology in the industries, it seems that's a contradictory standpoint. Biotechnology is almost nonexistent. Electronics/Microelectronics is down 41 percent, Telecommunications down 15 percent, and Advanced Technology and Engineering Support down 43 percent. It seems contradictory.

In vote 2.2., Commercialization of Advanced Technologies, it seems like a great concept, a good idea, obviously is to take the idea and put it into a commercialized phase. So the question I would have then is: why is there such a decrease in Biotechnology of 29 percent in that particular area?

Again I'm wondering where in here General Systems Re-



search would fit in. As I was reviewing the *Hansard* notes from last year, the former minister who looked after this particular department made comments to the effect that General Systems Research was so successful that in fact it had to turn contracts away and could not fulfill all the requests for contracts that were being put to it. I in fact asked some questions in the House relatively recently about why it is that they were getting another loan guarantee from the province. So it seems there is a bit of a mixed message there, and I wonder if the minister might be able to address that situation as well.

Overall when I look at vote 2, it seems to me that Financing of Technology and Research Projects is an important area from the standpoint of job creation and creation of new industries. Although we're just dealing with dollar figures here, I would be curious as to what kind of job potential we're looking at creating: how many jobs, preferably long term, permanent-- as permanent as jobs can be -- long-term impact in terms of the economic development of the province, and sort of where we're going to see the direction going. Which leads me to question -- it seems there was in the past a white paper. I've seen a white paper on the direction of science and technology in the province. It was dated 1985 to 1990. We're therefore coming to the end of that period of time which that white paper covered. Is there a new science and technology white paper being produced by the government? In what stages of development is it? Ideally I'd like to see the paper. I'd like to see what scope of subject areas it covers, because I think it's a very important step and direction for us in this province.

In vote 3, the Natural Sciences and Engineering Research section, I listened to the hon. Member for Pincher Creek-Crowsnest describe many of the projects that are being undertaken by the Alberta Research Council. I think it's an excellent council, but again I would like to see some specifics, maybe some companies that are being helped. I had a question about, for example, the Electronics Test Centre. When I looked in the annual report of the Alberta Research Council, it says this is doing a fantastic job; it brought in \$600,000 of revenue. Yet it's being cut. Is it being cut because it's doing so well and doesn't need the support, or is it being cut because it's not necessary? Again, what's the rationale behind that? It sure would be nice to see a little bit more information in these different areas.

On the Alberta Research Council, a question that came to mind as I was looking at this expenditure of \$23.5 million, for the estimates anyway, is: how many companies are having their products tested through the Alberta Research Council? How many of those companies are advanced technology businesses which hopefully will give rise to products and will again lead to diversification of the economy, jobs, et cetera, et cetera?

In vote 4 we're looking at Multimedia Education Services. The ACCESS Network is one we get right across the province. My children enjoy it. I think it's an excellent program, and I compliment the minister on maintaining this. A fairly stable budget here: a slight decrease, 5.3 percent. I would encourage you to maintain the program. I think it's excellent, and I hope it continues. You mentioned the *Homework Hotline* program. I know that many of my students in the past have made use of the program and have found it to be a worthwhile kind of project.

On related issues, sort of talking about technology and research projects again, I raised the point with the Minister of Tourism in his estimates and would ask a question of this minister too. Where do you see the province going with respect to Mr. Gray's science centre proposal? I think clearly this is a area

that at least in part falls under your mandate. I've had the experience to go to a couple of these centres, and I sure hope that when -- I hope I can say "when" -- they are developed, they will be a hands-on kind of science centre. I'd like to hear some comments from the minister about where we see that going as well.

In an address the minister made to the national technology policy roundtable, there were some comments regarding the development of science education. As a science educator, I have had some concerns about the direction of science education in the province, and I'm wondering if the Minister of Technology, Research and Telecommunications has been lobbying the Minister of Education to help maintain the education of science students in our province. That doesn't really fit in with this particular budget, but I'm wondering if perhaps it should be in there somewhere that there should be a consultant provided for the Education Minister, seeing as how he doesn't seem to be doing it quite as well as perhaps needs to be done, as I feel it needs to be done, at any rate.

Finally, a comment simply about AGT, which in light of the government's proposal to make sure everyone has a private line I presume stands for "everybody got telephone." I've heard some comments that in the development of rural lines some of the construction crews have been less than prudent in their cleanups. As this falls under your mandate, concerns about traveling across land and knocking down fences and a few comments to that effect, perhaps the minister could keep those things in mind as they continue with what I believe is a good direction in the province.

I look forward to your answers, Mr. Minister, and wish you the best of success in the upcoming year.

MR. DEPUTY CHAIRMAN: The Member for Highwood.

MR. TANNAS: Thank you, Mr. Chairman. I'd like to ask the hon. minister a number of questions. First of all, your department was recently criticized in the press for not really having a strategy for the development of science and technology in the province. Do you as minister have a strategy and does your department, and if so, what is that strategy?

Secondly, the government has invested a considerable amount of money in advanced technology infrastructure, which includes the Alberta Microelectronic Centre, the Alberta Laser Institute, the Alberta Telecommunications Research Centre, and the Electronics Test Centre. I'd like to ask the hon. minister to comment on what progress these organizations are making in support of the province's diversification plan.

My third question would be to encourage the minister and ask him to continue reviewing -- and if they are not, to ask him if he would undertake to review -- the old rural telephone districts, many of which were established 50 and 60 years ago and don't have a lot of relationship to trading and social and governmental patterns, highway patterns and that kind of thing today, with a view to making flat rate calling within a community of interest a possibility. I'm thinking of, say, a municipal district such as Foothills, where we have very many exchanges that are long distance to each other, yet they're able to phone at long distance to the nearby city of Calgary.

Those are the three questions I would put to the minister.

MR. DEPUTY CHAIRMAN: The Member for Vegreville. Moving on, then, to the Member for Westlock-Sturgeon, and move quickly, please, or I'll move on some more.

MR. TAYLOR: Thank you very much, Mr. Chairman. I'm sorry. I was caught with a very normal urge to go over and talk to the Minister of Health.

I just have a very short one. I think it's already been touched on a bit by the Member for Calgary-North West. In my time as a rural MLA, I would say I have had two to three times as many complaints against AGT crews as I've had against electrical utilities and gas utilities. I think the minister might be wise . . . Maybe in their exuberance, as the hon. Member for Calgary-North West mentioned, to get a telephone to everyone they're forgetting about the little niceties of what makes rural life go by -- tearing up ditches, leaving the roots and trees around; contract crews that leave the radio on so you can hear them half a mile away, often very dirty and disreputable as they come around. One thing, the gas companies are usually all decked out, looking very neat and on the job. In general, I think AGT is projecting a very poor image to their rural people in their construction. In fact, I have had three cases in the last six months where, in effect, I've been told: "Well, we won't admit anything. If you want to sue, sue." In each case it was either blocking the drainage, cleaning up improperly, or in general leaving a place in a mess.

I would suggest, Mr. Minister, that you send some of the leaders in the AGT construction group over to the gas company to learn some of the etiquette, as you might want to call it, of how to handle rural problems. I'm afraid that the action and the attention I'm getting to the problem now is the same as I get when I phone in. They obviously are reading a document or doing something else at the same time that I complain. It's not too unusual to understand, Mr. Chairman, if the complaints I make when I phone in get the same attention as the minister's now paying to what I'm saying.

MR. WRIGHT: The rot starts at the top.

MR. TAYLOR: Yes, I think it's rather easy to see that the rot starts at the top, Mr. Chairman.

If the minister can't take time off from reading the funnies to listen to what the opposition has to say, it is not unusual at all then for anybody complaining about his construction crews raising hell and whooping up and down the countryside without cleaning up messes to be ignored also. But if the minister would start some sort of examination in that area -- and I'd only be too willing to give him a number of the areas in Westlock-Sturgeon to help him out, because I think it reflects very poorly on a company that wants to privatize. Certainly their attitude on the phones, in their PR and in handling phone calls, and also dealing with the public and accounts has improved immeasurably in the last half a dozen years, but the troglodytes or dinosaurs that run the construction department are still responding on the idea that the shortest distance between two points is the only way to get things done and, if anybody complains, you say: "Well, it's not us. It was a contractor. Go ahead and sue." I would suggest that you either talk to the Alberta landmen's association, which had to straighten out problems like this 20 years ago, when oil companies had the same idea, or the gas company, which has a very, very good reputation for working with people. That would be in order.

The second thing I just want to touch on, Mr. Chairman, and this is more a case of policy, is extended flat rate dialing. The rural areas are being told: "How lucky you are. You can call Edmonton or you can call Calgary toll free." But the point is

that they can't call each other. To try to call a town halfway, say, between Legal and Edmonton or out west of Calgary to Calgary, it's a long-distance call, whereas to the big city it's toll free. The argument in support of that by AGT and the minister is that there's a higher volume; therefore, they can give out a cheaper rate. Now, Mr. Chairman, the trouble with that is it's a self-fulfilling prophesy. If you indeed continue to give the cheap rate for dialing to the big city and refuse to give it between the towns, naturally traffic is not going to increase; it's going to fall off.

To me, for a government such as this -- maybe they don't recognize it and maybe the minister doesn't recognize it -- this is nothing but an overattempt, I think, to centralize business into the big cities and try and discourage businesses from locating in the small towns. For instance, if you want to do some business out in the towns north of Edmonton, you won't locate in one of those towns because any other town calling you pays a long distance call, whereas if you come into Edmonton, you can call the business free. That, without any question in my mind, works against the small towns. Then AGT uses the argument that there's no volume of traffic between the small towns. Naturally there's no traffic between the small towns if you kill it that way. You indeed put the incentive the other way. I think the whole extent of flat rate should be looked at as originally it was intended some years ago when it came in as an area within which anybody could dial anywhere toll free, not just to the big city and let the little towns in between . . . I'd like to hear any other rural MLAs talk about that same area, because saying that the traffic isn't there to support it becomes a self-fulfilling prophecy, and that's what I'm very concerned about.

[Mr. Schumacher in the Chair]

Now, unless I sound like I'm entirely negative, Mr. Chairman, I think AGT, Alberta Government Telephones or, like they like to call themselves, "advanced growth technologies," and their quest to privatize and sort of feel that the customers are actually people have made giant steps. If they can only get those construction people with their shovels and trucks and backhoes in line and realize they're dealing with real old customers out there and not be afraid when they screw up something or ruin something to go out there and fix it up again. Then I think they'll have come a long way.

Thank you.

MR. CHAIRMAN: The hon. Member for Calgary-Glenmore.

MRS. MIROSH: Thank you, Mr. Chairman. My comments will be brief. I'd like to congratulate the minister in his new position as Minister of Technology, Research and Telecommunications. I appreciate your sensitivity to the economic development of this province. It's through this department that significant priorities have been placed to profile high-tech industry and help to create jobs in the province. Many businesses have been able to develop and access markets nationally and worldwide through this department. In my capacity as chairman of economic affairs, I've had the opportunity to meet with delegates from Japan, from the Soviet Union, and from the European countries, and they've expressed a very high regard in this trade relationship we have that is established through this department.

The Alberta Research Council has developed programs, as

already mentioned by the hon. Member for Pincher Creek-Crowsnest, in covering a wide range of applied research and particularly the information centres. Further, the joint research agreements with the private sector have opened doors and have helped small companies and small businesses to develop and to expand. It would be prudent for me to mention the Alberta Foundation for Nursing Research. The objective of ensuring the continuation of high-quality nursing care in Alberta shows the government's commitment to this profession. The Foundation for Nursing Research was established in October of 1982, yet so many of my own nursing colleagues have been unaware of this initiative. This foundation was provided with an initial funding commitment of \$1 million over five years. Then in 1988 a further commitment of five years with yet another \$1 million expanded this program. I sincerely commend the department for the continuation and having this program as one priority. Now, the government in this 1989-1990 nursing grant for research has increased 50 percent from \$200,000 to \$300,000. Further, a grant of \$70,000 has been provided to cover all its operating costs that previously were covered by the Department of Advanced Education. This certainly allows the group to have greater autonomy. Alberta is the only province to earmark these kinds of funds directly to nursing research.

At the present time, a number of nurses working on research programs have had and will continue to have significant input on health care in this province. The one prime example of the significance of this research and research papers relates to gerontological nursing, and many of these research papers are currently being used in health care institutions in caring for our elderly.

In closing, Mr. Chairman, I would once again like to commend the minister in continuing these priorities outlined in his budget. They've been so important to the economy of our province. Thank you.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I want to address a few comments to the new Minister of Technology, Research and Telecommunications and congratulate him on his appointment, well deserved by a member who has demonstrated his ability in this Assembly on more than one occasion. I look forward to working with him in his capacity of Minister of Technology, Research and Telecommunications on behalf of the people in the Vegreville constituency.

I would like to raise a couple of issues with the minister in respect to telephone service provided to rural Albertans. I would like to comment briefly on the individual line service, Mr. Chairman; that is, the ILS program. I think progress in our constituency has been very good to date, and things are, as I understand, on schedule. We've seen a number of telephone exchanges hooked on to the individual private line service. That would include the Holden exchange, the Lavoy exchange, the Vegreville exchange, and the Hairy Hill exchange. We're looking forward to, I believe, Two Hills, Ryley, and Mundare next year and Tofield in the final year of the program, the 1991 construction year. It's my understanding that in a community like Tofield, not being involved until the final year of the program, there have been some substantial improvements in the party-line service people in the Tofield exchange have access to in the interim. I'd like to express appreciation on behalf of all those people in the Vegreville constituency to the minister and to

AGT for the fine work they've done in the program. There have been some concerns expressed by people about the \$S60 charge to get the individual line service, recognizing that people in the city don't have to pay for private line service. There is concern expressed by some people about the cost involved. But I think it fair to say that generally everyone who experiences the private line telephone service appreciates the many benefits of being able to communicate quickly and effectively and privately. It's quite an improvement, and that's got to be noted.

The other thing I'd like to address to the minister's attention is an issue I've raised in this Assembly on many occasions with the former minister of telecommunications and also in terms of private conversations and by way of correspondence to this minister and the previous minister. It concerns the extended flat rate calling program, the EFRC program, and I guess my particular concern relates to the Andrew telephone exchange. There are a few exchanges in the province of Alberta, Andrew being one of them, that have no extended flat rate calling routes available to them. We can go into the history and discuss why that is. It's got something to do with the way the exchange boundaries are drawn, based on the old mutual telephone exchange boundaries. They don't often necessarily make sense in terms of today's realities. But we have the Andrew telephone exchange, with people in the northern part of the exchange perhaps desiring EFRC routes to Smoky Lake, while in the southern part of the exchange they would look forward to having an extended flat rate calling program to St. Michael, Chipman, Lamont, Mundare, or even Vegreville. But they have none of the above, Mr. Chairman. They don't have the opportunity to call anywhere other than the Andrew telephone exchange on the EFRC program.

I notice that most of the exchanges affected that way are in the outlying fringes of the AGT telephone service area, the northern fringes of the province, some areas where there really aren't any neighbouring exchanges. But Andrew is in a very difficult situation, made more difficult, Mr. Chairman, by the decision last year that gave Chipman and St. Michael toll-free calling to the city of Edmonton, a great benefit for St. Michael, Chipman -- well, Tofield as well was involved in that -- a great benefit to people in the businesses in the area, but it highlighted again the frustration of the people in the Andrew exchange in not being able to have extended flat rate calling. I know from conversations with the minister that it's not an easy problem to resolve. But I do want to bring to his attention the concerns that people bring to me, and that is that they feel they deserve at least the same kind of service other Albertans have. People in the Vegreville exchange, for example: on my telephone I can call toll free to Willingdon, Hairy Hill, Mundare, Two Hills, and Lavoy. It certainly makes communication within a region among neighbours much easier and much cheaper for the people who benefit from it. But Andrew doesn't have those benefits, and I would like to urge the minister to do whatever he can to see that extended flat rate calling routes are made available to the people on the Andrew exchange.

If no single exchange will satisfy the need, then I might suggest, Mr. Minister, that we look at perhaps offering two or three at the same time. The criteria for the EFRC program would be met if people were offered two or three routes at the same time to make a substantial improvement to the Andrew telephone exchange, rather than on an individual exchange basis, perhaps one this year and one three years down the road and one five years down the road. There may be a way of resolving this

problem, but I think it's something we need to really take a serious look at. It's an issue that I've, as I say, written to ministers about on frequent occasions and discussed in this Assembly. I know that the minister himself has had representation made to him by people in the community who want to see the problem addressed, so I make that representation on their behalf.

There are some other exchanges that I think need to be looked at in terms of extended flat rate calling, and again I've made representation on behalf of these people before. There are people who live in the northern part of the Lavoy exchange who live in and pay taxes to the county of Two Hills and their kids go to school in Two Hills but they don't have toll-free calling to Two Hills, and I think they would view that as a substantial benefit if they had that opportunity.

That highlights another concern brought to my attention, and that is the possibility that some regional calling areas be established that may relate in some way to local government boundaries. The county of Beaver, for example: communities in there as well as the county have expressed a desire that there be an extended flat rate calling region established there that would link up the communities of Tofield, Ryley, Holden, and Viking so they would all at least be able to communicate with the centre of government and with one another, because the people in that area, the regional economic development group, the local chambers of commerce and business associations, are working very hard to try and develop the area. If they had the opportunity to phone toll free within the county of Beaver, it would be of great benefit to everyone in the area.

I would like to as well make some representations to the minister about an issue we discussed yesterday in this Assembly, and that concerns the possible privatization of AGT by this government. It's well known that it's something the government is considering and looking at very seriously. I think we need to have a very thorough and open, honest debate about the issues that surround privatization, because it's not all sweetness and roses, as government members would try and characterize it. There are some substantial drawbacks to privatization, and I think AGT as a successful publicly-owned utility is an example of the benefits that can be gained by society through some public ownership of utilities. They've provided good service. They've been on the leading edge of technology and certainly have been very responsible corporate citizens in the province, working very hard in the communities they're located in.

We on this side of the House are determined to see the people of Alberta retain the ownership in Alberta Government Telephones. We'd like, for those reasons, to have an extensive and public debate in this Legislature on the issue of privatization, but it's our hunch, Mr. Chairman, that there'll be very little opportunity for that. The government, even though it was on their agenda, didn't raise it during the election, when Albertans would have had a chance to have a say in whether or not they wanted the government to sell off the people's assets. But we suspect that it's something on their agenda for next year, and I guess what we're trying to do by raising it now is challenge the government to come forward, to be up front, and not to act in a secretive sort of way about this agenda they have. If they believe there are merits to privatizing AGT, well stand up and say so. Let's have the debate and see where the people of Alberta stand on this important issue.

So I want to urge the minister, in the interests of beginning this debate, to provide all members of the Assembly, and through us the people of Alberta, with the report prepared by

Mr. Keith Alexander, et al, and other people involved in Dominion Securities for this government, which I gather was to analyze the options in terms of the kind of structure that AGT operates in and, well, bottom line here: privatization. That's what we want to see. I'm urging the minister to maybe stand up and pull it out of his briefcase and share it with us now.

Thank you, Mr. Chairman.

MR. JONSON: Mr. Chairman, I'd just like to ask a few questions. First of all, I'd like to congratulate the minister on his appointment, as others have done. I'm certain that he will do a very capable job.

First of all, I noted in the minister's opening remarks, Mr. Chairman, that he indicated there was a concern over a lack of high school students registering in science programs, if I heard him correctly. To the minister. I'd just like him to elaborate on that a little bit further, because it seems to me that we have a much larger proportion than before of women going into the field of medicine. Nursing, of course, has always been an area of women enrolling and going on and expressing interest in research. Also, the field of veterinary medicine is one in which I understand 80 percent of the current students are women. So it would seem to me that considerable progress is being made in that area, although the concern of the minister is undoubtedly still there.

Secondly, Mr. Chairman, I believe it would be about a year or a year and a half ago that the hon. Member for Little Bow raised the issue of funding, as far as the provincial government is concerned, for research within the province. There was an indication, I think fairly well documented, that there might be some accuracy in the claim that we were not accessing all of the research moneys that might be available to this province from the federal government. I wonder if that has been brought to the minister's attention and whether he has any information to share with the Assembly on that particular topic.

Mr. Chairman, the minister referred to the activity that is taking place in the province in terms of the development of software. I would, rather than I guess ask a question, just like to suggest that I think that in the province there's the opportunity for some initiative to develop either for the use of the public sector or for the private market some type of structure for the development of educational software. Teachers in this province have, I think, been way out front in terms of developing programs, but there's been no incentive or structure whereby they could get together in a business relationship or be able to further develop and test the programs they're working on so they might be eventually marketed or utilized by the government in the education system. I note, Mr. Chairman, that in British Columbia the announcement of such a software development centre has recently been made.

Mr. Chairman, there have been several references to General Systems Research in the debate this afternoon by other hon. members. I would just like to make the general request that the minister elaborate on the various facets of that company's operation, because if one can go by what one reads, there seem to be various very successful aspects of that company. Probably there are difficulties, or at least those are claimed.

Finally, Mr. Chairman, I would just like to ask if the minister is contemplating any overall review of research and development policy in the province. I recognize that Alberta leads in Canada in terms of its current commitment to various types of research through various vehicles, but we do have that concern,

I think, in the nation, and we have to have it specifically within the province, that we do not really rank very high when compared to the United States or Japan or West Germany in terms of the overall commitment to research and development in this very, very competitive world. I wonder, as I said, if any action is being contemplated to review our policy and our tactics, shall we say, with respect to making sure that adequate emphasis is being placed on research, because we have to recognize that research has to have some outright funding, whether it's in the public or private sector, before it's going to be able to be fully developed so that it can be applied or marketed.

Those are my remarks, Mr. Chairman.

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

MR. WRIGHT: Thank you, Mr. Chairman. I would like to congratulate the minister on his post, but I can't because I think he's slippery. I speak about his participation in the debate on the return of the Keith Alexander report yesterday. The motion was that the Assembly order the return of this report, described as

the report prepared by Mr. Keith Alexander regarding the privatization of Alberta Government Telephones.

The minister replied:

To the extent that any such document exists as such . . .

What the devil does that mean? That's nonsense.

. . . it would not be a government document but rather part of a consulting agreement between Alberta Government Telephones and Dominion Securities.

That again is just gobbledygook. It's a report commissioned by the government.

MR. CHAIRMAN: Hon. member, order please. I hesitate to interrupt the hon. member, but I hope the hon. member could establish the relevancy of his present comments with the estimates.

MR. WRIGHT: Yes. It is this: that the most important jewel in his crown is Alberta Government Telephones, and the buzz is it's about to be pedaled off. This report is essential to the public's understanding of it, and the public paid big money for this -- or money, at any rate. It doesn't matter if it was 10 cents, 10 dollars, a thousand dollars, \$10,000, or \$100,000; it's the same principle: that the public pays for something and is entitled to see what they pay for unless there is very good reason to the contrary. I'm making the case that this minister is not fit to be presiding over these estimates when he does not know how to do his job, Mr. Chairman. Is that relevant enough?

Then he goes on to say:

Furthermore, if any such document were to exist . . .

As if he doesn't know whether it exists or not. I mean, this isn't a court we're in; this is a place where we're trying to do public business honestly and straightforwardly. If a minister is not straightforward, then he shouldn't be a minister.

If any such document were to exist and be deemed to be a government document for any reason, it would . . .

and so on.

Now, we all know that there was a report prepared, and it was prepared, in fact, by Mr. Alexander, and his company was Dominion something or other.

MR. MARTIN: Dominion Securities.

MR. WRIGHT: Limited, presumably.

If it wasn't Dominion Securities limited, it was Mr. Alexander himself. But it's just casuistry. We can't have that kind of thing, Mr. Chairman, I say, in any department of government. If this were an inconsequential matter, then it wouldn't be so bad. But since it concerns something of vital importance to the people of this province, it's not the sort of way that a new minister or any minister should be carrying on.

The only other thing I wish to say, Mr. Chairman, is this: in this day of modern technology, of which Alberta Government Telephones boasts with some credibility, I think, surely it is not beyond the wit of the engineers simply to make a charge for each call according to the distance it travels in any direction and that way get away from the whole idea of long distance or a nontoll call and establish the system on a more rational basis. Maybe the minister hasn't had time to figure this out, but he should.

MR. CHAIRMAN: The hon. Minister of Technology, Research and Telecommunications.

MR. STEWART: Thank you very much, Mr. Chairman. I just want to start off by thanking hon. members for participating in consideration of these estimates. I think there were a number of good points raised, a number of questions to which I certainly want to respond in the full sense and to the extent that time will permit, but failing that we'll certainly get back on each and every question in due course. There are a number of areas that sort of cross over in the comments and questions from various members, but let me try and deal with some of them.

A number of members raised the matter of overall policy and strategy in respect to science and technology, and I want to emphasize my acceptance of the comments in that regard and the fact that it's an area that is so dynamic and moving so quickly in the technologies that are advanced that it is something we need to keep a close eye on and develop that strategy. At the present time we are working on that very thing. We're in the drafting stage of a science and technology strategy which we intend to put out there for people to comment upon who have an interest and concern with respect to that industry, and hopefully some positive things will come.

That also leads us into the area of awareness and the need to establish a sort of mind-set or culture with respect to advanced technologies, and there are a number of ways we can do that, and the science centre idea came up. Let me just comment on that while we pass. The efforts of Mr. Gray, I think, have been absolutely incredible from the standpoint of gaining the public support he has throughout Alberta, not just in Calgary but in Edmonton and indeed throughout Alberta. It's a concept that I've had a lot of interest in and, in fact, a number of discussions with Mr. Gray, and it's one in which we hope we will be able to participate along with him in the formulation of some sort of science centre that is unique to Alberta, not just an Ontario Science Centre here. I agree with the hon. Member for Calgary-North West about hands-on, and there are a number of other ways in which you can approach the science centre in order to ensure that it's not only entertaining, attractive, but also of educational value; at the same time, pinpoint what is going on at the present time here in Alberta, the number of areas of advanced technologies, and highlighting those achievements in some public way. So it's something that we will be working on closely with Mr. Gray and others and hopefully we will see the day

when those science centre complexes, whatever they may be called and whatever form they may take, will be part of our awareness program in Alberta.

Mr. Chairman, I want to also deal with some specifics. There were a number of questions that related to: why are the percentages different and who's participating under various categories, particularly in vote 2? I thought it might be appropriate to spell that out because of the questions that are there. It should be noted that vote 2.1 deals with infrastructural support and 2.2 deals with commercialization of advanced technologies. The Member for Edmonton-Kingsway quite properly pointed out the distinction between budgetary and nonbudgetary, and there are a number, particularly in the commercialization stage, where part and parcel of an agreement to provide financial assistance brings with it obligations and conditions with respect to repayment, either repayable grants or through royalties or whatever. There are a number of ways in which that can happen. That's why those items are designated as nonbudgetary.

But, in essence, under 2.1 there are some commitments, and a lot of these are part and parcel of ongoing agreements. The funding takes place over a number of years, and so we're picking up the yearly component of a multiyear type of commitment. Under 2.1, for example, we have in the Electronics/Microelectronics category, 2.1.2, AMC, the Alberta microchip centre, of \$2.35 million and LSI Logic, again part and parcel of that ongoing commitment there, \$1,330 million. The Alberta Telecommunications Research Centre does have, again, a commitment from us of \$763,000.

Now, I should mention in the case of the Alberta Telecommunications Research Centre that it's a very fascinating place. It's one that involves the university, industry, and government in a very collaborative and co-operative way and in which industry sponsors come forward. There are a number of sponsors that have made a financial contribution and a personnel contribution to the centre and to the work of that centre. There are some very interesting things taking place there, one of which in the telecommunications end relates to a self-healing process for lines when there's a breakdown so that there'll automatically be connections made by computer to ensure that service is not out for any period at all, really; almost immediate rectification of lines so that their service carries on, and an identification, at the same time, of wherever there is a fault so that it can be repaired. So the Alberta Telecommunications Research Centre is the amount in 2.1.3.

The Supercomputer Centre is in 2.1.4, \$400,000. The Alberta Laser Institute is the \$1 million that is shown in that category; 2.1.7 is the research park multitenant facilities, \$274,000. Again, I should mention that both in Edmonton and in Calgary there is financial support given to those two centres. They operate under their own authorities, but through incubator programs and a number of other services that they provide, there is tremendous support, particularly for the small and emerging companies.

As well, in there you will note an item of about \$3 million for the Centre for Frontier Engineering Research. They are just building new premises at the research park in Edmonton here, having started over at the University of Alberta. It's a very exciting type of project, and the work that has been commenced at the U of A is indeed flourishing. It has attracted the interest and the money of the federal government as well.

Vote 2.1.8 is the amount that I made reference to earlier, \$370,000, to the Alberta Foundation for Nursing Research. In

the commercialization end of it, 2.2.1, Biotechnology, Chembiomed is in the process of a multiyear contract agreement for funding, and the amount is \$7.1 million. I believe it's the last year of that particular funding contract. Chembiomed is achieving some success in certain drugs that are going to be reaching or have reached, indeed, in some cases, a commercialization stage. But in the case of so many of these companies, to move from that research and applied research stage over to that full commercialized, self-sufficient type of status, it does take -- and this is typical, of course, around the world -- a number of years for that sort of process to take place, and it costs a lot of dollars in the meantime. But Chembiomed has been going through a period of introspection and looking at ways and means in which they can redefine their operations and indeed their mandate to make sure that in the final analysis they succeed as a biotechnology company here in Alberta.

Alta Genetics is not a part of that. The 2.2.7, Emerging Technologies, encompasses general grants for a number of smaller companies, as well as the SPURT 1 initiative of seed capital for small companies. I've referred to the medical innovation program fund, and that's in 2.2.8. So essentially, Mr. Chairman, those are some of the specifics with respect to the votes 2. I just want to -- I don't know; I have very little time left, so I will have to respond in writing to the various members who have raised points.

On the matter of extended flat rate calling, I appreciate the comments there. We have the most extensive flat rate calling network in all of North America, but there are anomalies, and AGT is constantly monitoring that situation to ensure that there's fairness and service that emanates from the program. The ILS is on schedule, 40 percent complete and will be done on time. That has, I think, been a very welcomed program through the government and AGT working together.

MR. CHAIRMAN: I hesitate to interrupt the hon. minister, but . . .

MR. STEWART: The rest will come by way of response in writing to each and every member, and I thank the members for their participation.

MR. CHAIRMAN: Thank you, Mr. Minister.

MR. GOGO: Mr. Chairman, I move the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

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

MR. SPEAKER: Having heard the report, does the House agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

MR. GOGO: Mr. Speaker, it is proposed that the House sit to-

morrow evening to deal with various government Bills and motions. I should indicate to the hon. members that we will deal probably in the following order, if members wish to note it: Bills for second reading, 11, 5, 13, 14, and 17. If there's suffi-

cient time, it will be the intent of government to go into Committee of the Whole.

[At 5:30 p.m. the House adjourned to Thursday at 2:30 p.m.]

