

LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday Evening, May 29, 1974

[Mr. Speaker resumed the Chair at 8:00 o'clock.]

GOVERNMENT BILLS AND ORDERS
(Second Reading)Bill No. 46 The Alberta Gas Trunk Line Company Amendment Act, 1974

MR. DICKIE:

Mr. Speaker, I welcome the opportunity to make one or two observations on the principle of this bill. I would first like to say how much I have been impressed by the hon. Member for Stettler on the work that he has done so far in piloting Bill No. 46. I have been impressed with his knowledge and I think all hon. members will appreciate his clear and concise introduction.

Mr. Speaker, some members of Her Majesty's Loyal Opposition expressed some concern about the need for the amendments and the direction of the company. I think their points were well made.

I would like to say, Mr. Speaker, that the first reading of this bill took place on May 6. One month prior to that time I received a very important letter from the President and Chief Executive Officer of Alberta Gas Trunk Line, Mr. Bob Blair.

Mr. Speaker, I know hon. members will not wish me to take the time to read the letter. However, I do propose to table it and I have asked the pages if they would distribute copies to all hon. members at this time. Mr. Speaker, I would like to suggest that the letter certainly will answer any of the inquiries raised by the hon. members.

I would suggest that it sets out three points. First, it sets out the need for the change; two, it sets out a declaration of policy, and three, it indicates legal consultation. In addition to the letter, Mr. Speaker, I have also attached and will file a certified copy of a resolution of the board of directors of the company, approving and endorsing the letter and also the policy's intentions with respect to the broadening of its powers and objects under the act of incorporation.

Mr. Speaker, the Legislature is being asked to approve statutory changes requested by the company in the provincial Act governing the company. It is to permit the company to diversify and be competitive in the fast-changing energy field.

In our view, Mr. Speaker, the directors are clearly in tune with the energy challenges of the '70s and have, indeed, a well-researched eye to the '80s. I would like to suggest that the actions of the company and the recent announcements proposed have been with a view to the benefit of the shareholders of the company and all the people of Alberta.

Mr. Speaker, instead of the negative approach of some Opposition comments I think they should ask, would it not be great, in free and enterprising Alberta, if there were not another ten Alberta Gas Trunk Line companies?

MR. LUDWIG:

How about ten energy companies.

AN HON. MEMBER:

He'll see a psychiatrist.

MR. DICKIE:

One other point I would like to deal with was raised concerning the question of directors of the company. Perhaps I could briefly mention how they were originally elected and then ask hon. members to recall amendments made by the Legislature here in 1972, and then the amendments that are proposed this year, in 1974.

I think the hon. members should appreciate there are two classes of common shares, class A and class B. Class A was the majority of shares that were sold to the residents of Alberta. Class B went to a select group and they initially had the voting rights. They went to the natural gas producers, the natural gas utilities and the natural gas exporters.

In the original election of directors the act provided for a board of seven, while in 1972 that was increased to eleven and in 1974 the suggestion is that it be increased to fifteen. Going back to the original seven, the class B shareholders - that is the natural gas producers, natural gas utility companies and the natural gas exporting companies - had an automatic five directors elected and the government appointed two independent citizens, making a board of seven. In the 1972 amendments this government, for the first time, gave the class A shareholders a right to vote and provided for the shareholders to elect three directors. The class B shareholders' - that is consisting of the gas producers, the gas utilities and the gas exporters - original five were decreased to three, and the rest of the board of eleven was made up of the management with two, making a total of eleven.

In the suggested changes for 1974, Mr. Speaker, the board is suggested to be fifteen in order to enlarge the board consistent with the expanding role of the company as a principle pipeline company and industrial concern. The fifteen would be made up as follows: four from the class B which originally was five, in 1972 was three and then this year was four. The independent citizens appointed by the government would be increased to four, the shareholders would elect five - that is the common class A - and the management two, making a total of fifteen.

Mr. Speaker, I think all hon. members would appreciate knowing the three independent citizens appointed by the government. They are Mr. J. R. McCaig, President and Chief Executive Officer of Trimac Ltd. which is a well-known transportation company; Mr. D. K. Seaman, President and Chief Executive Officer of Bow Valley Industries, a well-known oil company, and Mr. Harold A. Irving, President of Irving Industries, a well-known company in Calgary operating a steel business.

Mr. Speaker, in reviewing the question of the [objectives] in considering the board of directors, I think it is important to note that the government appointments are independent citizens, and I ask you to consider that when you are looking at and reviewing perhaps some of the Crown corporations which have been referred to during the debate and other debates. I think you will notice that some of the failures of the Crown corporations have been perhaps [due to] this basic fundamental difference, the appointment of independent citizens as compared with, say, appointments of representatives of civil service associations and so forth. So I would ask you to recognize that perhaps some of the great success can be attributed to the appointment of the board of directors as constituted.

I would also ask hon. members to recall that this is an Alberta-based and controlled company, and that the decisions made by the company are by Albertans no matter where the business is carried on, no matter where individual parts of the business are carried on and no matter whether the business is in petrochemicals, steel or other energy-related items.

Mr. Speaker, I urge all hon. members to support this bill.

[The motion was carried. Bill No. 46 was read a second time.]

MR. HYNEMAN:

I move that the Assembly resolve itself into Committee of the Whole for consideration of certain bills on the Order Paper.

[The motion was carried.]

[Mr. Speaker left the Chair.]

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COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair]

MR. CHAIRMAN:

The Committee of the Whole Assembly will come to order.

Bill No. 47 The Oil Sands Technology and Research Authority Act

MR. CHAIRMAN:

There are some amendments which have been distributed.

MR. NOTLEY:

I have three questions under PART 1, the purposes of the act. Are we going to go through this clause by clause, as we did with Bill No. 32, or are we just going to take a shot at different parts of it?

AN HON. MEMBER:

Take a shot.

MR. NOTLEY:

Okay.

MR. CHAIRMAN:

Mr. Notley, if there's interest from enough of the members, yes, we will go section by section.

MR. NOTLEY:

I will go ahead with these three questions. What other members want to do is up to them.

Mr. Chairman, under the purposes of the act we have a number of objects. The minister, when he introduced the bill, emphasised the in situ process. I would be interested in knowing what emphasis the government is going to place on the environmental question. To what extent is there going to be a tie in between the money that Ottawa is proposing to spend on oil sands research and this particular act? Is this research institute going to be the vehicle for all or part of that money? Also, I think it's important for us to get some idea of the balance the government has in mind between researching advanced technology as far as the in situ process or other types of technology in the oil sands on one hand, and to what extent we are going to be underwriting environmental research on the other. We all recognize that environmental research is extremely important. I'm not so sure that this should be the primary responsibility of the government. I think the companies have an obligation.

That leads me to the second question. The minister mentioned in introducing the bill that this was in effect going to be complementary, that the ongoing research of the companies would continue. I would ask him whether or not he has any statistics at this stage as to what the research budget is, both for the GCOS operation which has been going for some years as well as Syncrude, and whether we have received any information from the other applicants as to what they have spent on research and what they propose to spend.

In other words, what I would like to get is some idea, if the government has any, as to what the annual research expenditures are on tar sands technology by the private sector. I think this would be useful to obtain.

The other question I would like to put to the minister is whether or not the government foresees any public funds from the technology and research authority to underwrite the heavy oil development in the Cold Lake oil fields. I understand that Imperial Oil is doing some work there and has spent some money. I would like to know to what extent the government foresees using public expenditures from the authority to underwrite those experiments.

MR. DICKIE:

Mr. Chairman, in answering the first question about environment, it is certainly not the intention at this stage. Of course the final decisions will rest with the members who were appointed to the authority, that is three to seven members, to deal with these questions. To deal with the environmental area, it would be primarily looking at the in situ type of operation. Now there is the question, when you are into these areas it is sometimes hard to divorce environmental aspects. However, Mr. Chairman, I would like to say that, having [had] discussions with the Minister of the Environment, the Department of the Environment itself has done a great deal of work and will continue to do a great deal of work on the environmental aspects of the Alberta oil sands, together with the federal government.

In relation to the federal government, the funds that we have been discussing have been entirely separate from the environmental aspects of it. [Since] the federal government was first talking about the \$40 million, and now somewhere part of the \$500 million, we haven't had sufficient talks to be able to earmark the ways and means that that would be carried out. I would say to the hon. member that with this authority we can now approach the federal government and say to them, here is the authority. Members will be set up, from three to seven, to set out the terms and conditions under which they would entertain the funds from the federal government and set out their programs. I think this now does give us the vehicle to move with the federal government.

Dealing with the question of the money that the companies [in the private sector] have been spending, I would first like to deal with the question of in situ. That has been most difficult. I would say that over the last year or year and a half I have talked to the companies that have been actively involved in research in in situ methods. It is very difficult to get definite figures as to what they might be looking at in the future on their projects to develop the in situ methods. For example, Shell in the Peace River area is looking for a commercial plant in the early 1980s. A great deal of its projected costs will depend on the research that is being carried on: how fast it comes, what breakthroughs take place. That's not to say that they are not confident at this stage that the process on which they have a pilot project won't be successful, but the amount of money it will take to get to the commercial stage is rather difficult to determine. I think this is perhaps true of the other companies such as Imperial Oil at Cold Lake and Texaco or Amoco, which are in the Athabasca area. I think at this stage we would be unable to - and I'm not sure whether even the companies could give you definite figures as to what they have allocated for the question of research.

In dealing with these companies, Mr. Chairman, I think I should mention that how we will coordinate and work with the individual companies is going to depend a lot on the reactions of the companies and how far they will go with the sharing of their proprietary data. The key things are the rights of this proprietary data and how we can work out an arrangement dealing with that. Our concern has been that if there are various companies carrying on research there isn't this duplication of research. We hope this vehicle would be independent. It could receive information from the various companies and work out arrangements that would prevent duplication of research.

MR. TAYLOR:

Mr. Chairman, I have just a very short question. I was wondering if the minister would care to say anything about using nuclear methods in this deep seam oil?

MR. DICKIE:

Mr. Chairman, a company called Phoenix Canada and the President of that company, a Mr. Don Moore, approached us with a view to having a meeting which we agreed to, and we did meet with them. With Mr. Moore there was a Dr. Alcock, and they reviewed their thoughts on nuclear stimulation. It was primarily an exploratory meeting. They indicated to us what steps they had taken and what they were looking at. As my honourable colleague mentioned in the House in answer to a question by the hon. member for Calgary Millikan as to whether there was any agreement, there was no agreement reached. I think that is as far as it has gone at the present time.

I think, if I could say this, that after the announcement of the Oil Sands Technology and Research Authority I received many, many letters from various companies and individuals suggesting different types of methods for processing the Alberta oil sands. What we have done in each case is to suggest that they wait until the members of the authority have been appointed so they can be properly assessed. I would also say that the information on this nuclear stimulation would be one of the areas that perhaps the members of the authority would look at and assess.

MR. TAYLOR:

Mr. Chairman, I think that's a very sound position. I'm glad the minister hasn't ruled nuclear stimulation out entirely. It seems to me that it has some possibilities,

being 200 feet underground, if it can be controlled so as not to affect other people. I'm glad the directors are going to have an opportunity to look at that along with all other methods. If other methods are available, well and good. But let's not rule out anything that is going to get more of the oil available for use in this country.

MR. CLARK:

Mr. Chairman, supplementary to a question I asked during second reading. I asked about work that is being done by Amoco in the tar sand areas. What's happening with that right now?

Second, the minister will recall, I believe about six or seven weeks ago in the House, I asked him regarding reports emanating from the States of the possibility of the use of certain enzymes in the extraction of oil from the tar sands. He was going to check it out and report back. Now might be a good time.

MR. DICKIE:

Mr. Chairman, dealing first with the question of Amoco, over the last year and a half we have had periodic and regular meetings with the President of Amoco. It used to be John Meeker, it is now Mr. Hank Boswell. We have discussed with them their in situ methods, their problems as they see them, the amount they are spending on research and where they are going.

In respect to the announcement, I believe the hon. Leader of the Opposition's question to the Premier dealt with face to face consultation. I would like to say that on the Friday of their announcement my office did receive a telephone call from Amoco announcing what they were going to tell their employees. The following Monday I telephoned Hank Boswell and he reviewed the notice that was given to the press and to his staff dealing with the suspension of the operations. I expressed concern and made some inquiries. I think as a result of my conversation I felt quite satisfied there is no question, that it was as a result of the federal budget. I asked particularly if prior to the federal budget the company was satisfied with the way events were proceeding and I received a positive answer.

So I think in that area, although we have had the telephone conversation, there will perhaps be some correspondence. When the House does adjourn we will be discussing the questions of their proposal for further in situ research in the next two or three months.

MR. CLARK:

What about the enzymes?

MR. DICKIE:

On the enzymes, Mr. Chairman, we did make some inquiries to the research council. The preliminary information, as I recall it, was that they didn't have any data on the process that was suggested in the paper here. I did direct our senior oil sand advisor to contact the people who were involved in the news announcement to find out further information from them. Since that date, I haven't received a further report from them but I assume they are checking it out and determining what the possibilities are in Alberta for that type of process.

I can also recall, now that I'm thinking about it, they did say they felt there was a considerable difference, from the newspaper announcement, in the small quantity of oil sands they experimented with and the quantities we have been talking about to make it a meaningful experiment.

MR. NOTLEY:

To go back for a moment to the federal expenditures which will be allocated to the tar sands as part of the interim oil agreement, which the minister has mentioned is \$500 million, I assume that it's not the intention of the government to take all of that federal money and put it into research, that some of it would be allocated to other projects or other types of development?

MR. DICKIE:

Well, Mr. Chairman, I think it would be a little difficult at this stage to say a great deal about it because I think our preliminary talks with the minister of energy for the federal government have indicated that they would certainly be interested in knowing how that money would be spent and on what particular projects, and being able to assess those. So what I imagine would be required is that we have some objectives and then sit down with the federal government and have a discussion on the objectives as we set them out, to see if they would meet with their approval as well as our approval.

MR. NOTLEY:

Just to pursue that, Mr. Chairman, the federal commitment is an ongoing commitment. It's a sort of open-ended thing, so if it takes us six months or a year to clarify in our own minds how we would like that spent, there's no danger of losing it? That's what I'm trying to get at, that that's a nailed-down commitment that we can rely on?

MR. DICKIE:

Mr. Chairman, I hesitate to answer that about the arrangements with the federal government being nailed down, but I would say that certainly from all the information I have they are committed to that and there certainly hasn't been a time limit put on it. In other areas where those kinds of arrangements have been worked out there hasn't been a problem.

MR. NOTLEY:

Mr. Chairman, there are just a couple of other comments I'd like to make.

First of all, when we come to the question of research, I'd like the minister to be perhaps a little more specific than he was during second reading as to where, in fact, the research will be done. I would hope that all of the research could be done in Canada, but is there any possibility that some of the research which will be funded, at least on a shared-cost base, from this authority could in fact be done outside the country? I'd like a response to that.

Then, Mr. Chairman, just a very quick comment about the suggestion that we consider nuclear stimulation of the tar sands. I would hope that we'd be extremely cautious in that area. I don't pretend to be any expert on the oil shales, but I was down in Colorado around the beginning of the new year and, as the minister probably knows, the Atomic Energy Commission had conducted several experiments using nuclear devices in the oil shales and they discovered it was a much more dangerous proposition than they thought at the time. Even people living 40 or 50 miles away experienced a terrific effect from the detonation, so I think we have to be extremely cautious before we run away with enthusiasm over nuclear energy being used in this particular way.

MR. DRAIN:

I have a question to the minister, Mr. Chairman.

Is there a bulletin on the geology of the deep oil sands structure available somewhere that I could read just for my own information?

MR. DICKIE:

Just dealing with the question of the in situ process itself and the areas in the Alberta oil sands that could be developed through in situ methods, there are some preliminary reports on it. I don't have a copy handy but I'd be very pleased, if I can, to get one or two reports for the hon. member so he could familiarize himself with them.

MR. DIXON:

Mr. Chairman, to the minister, the other evening on second reading of the bill I asked a couple of questions. One you have answered tonight regarding the nuclear experiment that the gentlemen from the East were talking about. I have never heard a satisfactory explanation from the government as to why Edmonton was chosen over Calgary for the site of the Oil Sands Technology Research Authority. My people are anxious, and I am sure, as a member from Calgary, you must have been questioned. The Calgary Chamber of Commerce and other people have been very anxious, naturally, to have the research centre there, which is the oil capital of Canada, and nothing was done. As I mentioned, it looked like a political saw-off.

While I am on my feet, Mr. Speaker, the hon. minister has been in touch with Amoco and I think it's very, very [important] that we try to get Amoco back in the picture because we're talking - the federal government is spending \$40 million on an experiment or on research. And here we have Amoco ready to go ahead with a \$40 million project immediately as their phase 1. Now they are going to continue, as I understand, to spend around \$1 million in their phase 6 which isn't quite completed, but they are ready to go ahead on this \$40 million expenditure. I wonder if the minister would assure the House that everything is going to be done, between now and the federal election day, to encourage them to change their minds, because I still think it is not too late.

MR. DICKIE:

Mr. Chairman, dealing first with the question of research - that would answer the hon. Member for Spirit River-Fairview too - and dealing with the actual location, I

think there are a number of key factors and certainly we reviewed at the time the points in favour of Calgary as compared with Edmonton. I think one of the key factors here does deal with the question of research. As we mentioned the other night, the authority itself would be funding and coordinating. It would look to have the research done by the Alberta Research Council, so from that point of view it's important that it be located close to the research council. It will deal with the Alberta oil sands which are primarily in the northern part of Alberta and I think that is an important point to consider.

While on the question of research and who would do it, I'm pleased to say that in the conversations I've had throughout a great many places in the United States and Canada, there is no question that the people most knowledgeable on the oil sands are right here in Alberta. So these are the people we will have to look to for our research, that is, in the universities and in the research council itself. I'll give you an example - the people from Venezuela were up and they talked about their Orinoco oil shales. Just by even talking to them you realize how much further advanced we are up here. Again, going into Colorado and some of the further parts of the United States, you realize how much further advanced we are here.

I think we have an ideal opportunity now in Alberta. By setting up an authority like this we could take the leadership and be the place where the research, for all of the world, on oil sands and shales should be conducted. And I think again that is important because it does tie right in with our coal. So I think we gain the benefits of that and I again hope that by utilizing the research council and the universities, which have both done a considerable amount of work here - particularly in Edmonton - we can develop that and become the real leaders and set the pace.

MR. HENDERSON:

I wonder if the minister could advise the House as to what has been the general response of the companies that have already spent several millions - well over \$100 million anyhow in the industry in total - on tar sands research. What has been the response from them in their interest in this particular program?

MR. DICKIE:

As to the authority itself, there hasn't been a reaction one way or the other. I think if anything, they are pleased to see it set up but they want to see how it's going to be developed before they make any commitments. Our discussions with them have really involved the question of this proprietary right of data, how we are going to handle it and how we are going to work that out. I think that's where the questions are going to have to be resolved with industry, because they do treasure this information and they do recognize they are in a competitive business. They are very hesitant about wanting to share that knowledge with other companies. So I think this is the area where discussion has to take place between government and industry.

We hope we can approach them on a basis that here is a completely independent vehicle which all knowledge could be funnelled into to prevent overlapping of research.

MR. HENDERSON:

Mr. Chairman, since the industry has done so much [spending] on it and the government proposes to get access to that, what specifically do they propose to spend? I see \$600 million dollars spent on research - \$100 million provincial, \$500 million federal is what you are talking about.

Where is the money going to go? What type of research is it going to go into? Is it just going to duplicate what industry is doing?

MR. DICKIE:

Well, Mr. Chairman, again I don't think the hon. member could expect at this time to have me say, specifically, why we'll have the three to seven members of the authority appointed to look into this to see what areas need research.

Again, I come back to the question that one of the aims and objects would be to prevent that overlapping. And that is going to be a difficult task because having talked to a number of companies and recognizing the different processes - I might say that even when two leases are adjacent to each other, like Texaco and Amoco, there might be different processes required by each in that particular area - that is how different the development required on the sands itself is. So when you do get into that research it would become very, very technical.

We hope we can get some common ground where it would be desirable that we conduct research with the industry, work out an arrangement dealing with the use of that data and keep in mind the public funds that will be used.

[The amendment was carried.]

[All sections, the title and preamble were agreed to.]

MR. DICKIE:

Mr. Chairman, I move that the bill be reported as amended.

[The motion was carried.]

Bill No. 54 The Natural Gas Rebates Act

MR. CHAIRMAN:

There are some amendments.

MR. FARRAN:

Mr. Chairman, I don't want to go into the principles of this bill at great length as it was done on second reading. But we did provide members with a draft copy of the regulations so they could better understand the technicalities of the application of this rebate bill.

I would just like to make sure, Mr. Chairman, that members have the right amendments.

MR. CHAIRMAN:

Mr. Minister, I wonder if you could just advise the committee which amendment we are going to debate.

MR. FARRAN:

Right. That's what I was about to do, Mr. Chairman.

The amendment dated May 28 ...

MR. CHAIRMAN:

Thank you.

MR. FARRAN:

... which starts off with a definition of "marketable gas" and does not include any reference to propane and butanes at the end of that paragraph, is the right one. In other words, it should not include the lines which say, "does not include propane or butanes" as distinct marketable products.

Maybe I should first just very quickly summarize the bill which in basic principle is very simple, Mr. Chairman. I don't need to go into why it was the government's policy to get the highest price possible for natural gas exported beyond the borders of the province, or the reasons for the government - in fact both sides of the House - concurring in the basic premise that Albertans should be sheltered from this higher price of gas to rectify to some extent the inequities they have suffered in the past.

The bill rests on these principles: that a rebate will be paid between a declared provincial support price and the world market price and that the prices at both ends of the scale - the price at wellhead and the price to consumers - will be checked and approved by the Public Utilities Board. Ninety-nine times out of a hundred the rebate will only be paid through vendors, which in effect means the two regulated utility companies and Gas Alberta.

The regulations themselves are mostly concerned with the occasional, exceptional, offbeat case. Normally the rebate will not be paid in respect of vendor-owned reserves. In respect of the regulated utilities, their rate of return is already governed by the allowable return on their rate base.

There is one rather important correction to a typographical error in the regulations that were distributed to the members so they could better understand the technicalities of the bill. On page 8 in paragraph 10, part 2, it should read: "equal to or more than the contract price", not "or less than". It's a very important change.

Mr. Chairman, I would be happy to answer any questions. I thought perhaps I would take some notes and answer them at the end if any members have them. I would be delighted

to do my best with any questions that are put. Like any great lover, the only thing I can't stand is indifference.

[Interjections]

MR. RUSTE:

Just a point of clarification. The minister referred to page 8 and Section 2 in the wording. Is it in the regulation that he referred to or in the bill itself?

MR. FAFRAN:

In the regulations, Mr. Chairman. On page 8, paragraph 10, it should read "more" and not "less". Let's take it out again. "No rebate application shall be approved in any case where the floor price applicable to the gas supply contract is equal to or more than the contract price of the marketable gas concerned." It shouldn't be less.

MR. LUDWIG:

Mr. Chairman, when the hon. minister is concerned about indifference with all the very touching messages we get, I wonder whether this is the end of the thing or whether if we don't pack up quickly we'll get a couple more. I'm amazed at the hon. minister's concern about indifference, because at one time a wine taster was asked whether all those different wines he tasted didn't give him a headache. He said, no ma'am, it's only the indifferent wines I taste that give me a headache.

I would like to ask the hon. minister whether this is not a trend in his department?

DR. WARRACK:

Was that a joke?

MR. LUDWIG:

Well, it was a slow one, but it still went over Warrack's head, I think, as most things in this House do.

[Interjections]

MR. CHAIRMAN:

Order.

MR. LUDWIG:

Mr. Chairman, I think the hon. minister ought to stand up on his feet ... [Inaudible]
...

MR. CHAIRMAN:

Order, order. Please continue, Mr. Ludwig. Order.

[Interjections]

MR. LUDWIG:

You know, the hon. member Dr. McCrimmon has been rather vociferous lately. I think that gleam in his eye isn't religion. I think he has probably been drinking something stronger than tea.

[Interjections]

MR. CHAIRMAN:

Order.

MR. LUDWIG:

But when I look at this bill, Mr. Chairman ...

DR. McCRIMMON:

A point of privilege.

MR. CHAIRMAN:

Yes, doctor.

MR. LUDWIG:

Mr. Chairman, I have the floor, I'd like to proceed.

MR. CHAIRMAN:

He's up on a point of privilege.

DR. McCRIMMON:

I don't like that allegation, not one bit. You speak and you speak and you speak, and you say very little.

MR. LUDWIG:

On a point of order ...

AN HON. MEMBER:

Sit down and shut up.

MR. LUDWIG:

On a point of order, Mr. Chairman. The hon. member has to address you and not me.

DR. McCRIMMON:

Through the Chair.

AN HON. MEMBER:

Give up, Doc.

DR. McCRIMMON:

I believe that you have wasted more time in this House than any member, or any five members.

AN HON. MEMBER:

Sit down, sit down.

MR. CHAIRMAN:

Order. Dr. McCrimmon, what is your point of order?

DR. McCRIMMON:

He made a point of privilege ... [Inaudible] ... an allegation.

MR. CHAIRMAN:

Please continue through the Chair.

DR. McCRIMMON:

Through the Chair.

Now I think that everybody in this House knows just how much time this hon. member has wasted. He blathers and he skitters and he garbles ...

AN HON. MEMBER:

Sit down.

DR. McCRIMMON:

... and he makes no point ...

MR. CLARK:

Mr. Chairman, on a point of ...

AN HON. MEMBER:

Sit down! Sit down!

DR. McCRIMMON:

I still have the floor.

MR. CHAIRMAN:

Order.

Dr. McCrimmon, that is hardly a point to raise here. If it's a question of asking the Member for Calgary Mountain View for an apology, please continue. Make it brief, please.

DR. McCRIMMON:

He made the allegation that there was something other than the usual process that I was rising to speak on or make a remark on. I would like him to follow it up - if he has any reason to follow it up or anything he can follow it up with.

AN HON. MEMBER:

An apology.

DR. McCRIMMON:

Or an apology.

MR. LUDWIG:

Mr. Chairman ...

[Interjections]

MR. CHAIRMAN:

Order.

MR. LUDWIG:

... I think you could start by telling Warrack to keep quiet. I have the floor now, Mr. Chairman. I think the hon. member, Dr. McCrimmon - if he feels that he's got the down cards to bluff me to back off, I've got news for him. He was heckling me and I gave him a shot that he had coming, and if he keeps on he'll get another.

MR. CHAIRMAN:

Order. Order, Mr. Ludwig.

AN HON. MEMBER:

Sit down. Grow up.

MR. LUDWIG:

I want to proceed with the remarks I want to make, Mr. Chairman, if I may, and I think it's your responsibility to keep order in this House.

MR. CHAIRMAN:

Please continue, Mr. Ludwig.

[Interjections]

MR. LUDWIG:

Is that a threat, Mr. Deputy Premier?

MR. MOORE:

On a point of order. The Hon. Dr. McCrimmon was accused by the hon. Member for Calgary Mountain View of having had something other than tea and stronger than tea to drink. Well, if the hon. member wishes to apologize, the matter will be forgotten. But, quite frankly, that's an allegation that can't be thrown across this House without some recognition on the part of the hon. member who said it to either substantiate his facts or

withdraw them. Quite frankly, that's a slam at the hon. Member for Ponoka and it shouldn't be accepted by anybody in the Legislature.

SOME HON. MEMBERS:

Hear, hear.

MR. LUDWIG:

Mr. Chairman, if I said "something stronger than tea" it could have been straight coffee. And if they're that sensitive about it let them have a hassle by themselves. I think the Deputy Premier seems to have been ... [Inaudible] ...

MR. CHAIRMAN:

Order, Mr. Ludwig. Would you please continue the debate on Bill No. 54.

MR. LUDWIG:

Mr. Chairman, I think when we look at a bill like this, Bill No. 54, we are looking at a fairly close encroachment on controls in some areas, controls of prices. It's a very timely topic because we're in the midst of a hassle about control of prices. I believe it's timely that we take a look at this to see whether this government is hedging that way, whether we are going to get into certain areas where we are going to provide top prices for some people and ignore other commodities. We're dealing with control of the top price a commodity can be sold for in the propane field. It's a utility. It's a necessity. I'm not quarrelling with that. But we are avoiding the areas where people are crying for some kind of explanation, some kind of declaration of policy in other areas.

Now, when we have a level of confusion where we have [parts of] the same political party tugging at each other, one advocating price controls and one advocating no price controls, perhaps the hon. minister of The Natural Gas Rebates Act ought to indicate whether some of his legislation, especially the last section, does not encroach on or crowd the matter of controls or prices.

AN HON. MEMBER:

What would happen if ... [Inaudible] ...

MR. LUDWIG:

Well, I know, Mr. Chairman, when I first spoke in this House they used to snarl at me on cue. Later on they would lay down. Now they are trying to ignore me but they are heckling me and I wonder if they are all ...

AN HON. MEMBER:

Look behind you.

MR. LUDWIG:

When we are talking about price controls we have to have some guidance from the hon. ministers on that side. We do have an awful lot of confusion in the reigning political party in this province. Even the hon. premier has hedged from his position of being adamantly opposed to controls, but then he had hedged on his position when the federal campaign was declared. We have one of the prominent members of Parliament of the Conservative party stating he'll fight price controls to the bitter end. Then the hon. Premier hedged on his position here. So I would just like to ask the hon. Minister of Telephones and Utilities, who has on at least one occasion committed himself to support controls on one commodity, whether there is any indication that there will be some price controls in this particular bill, Mr. Chairman.

MR. CLAPK:

Mr. Chairman, I wonder if I could comment on two areas.

First of all, the question of negotiation with the City of Edmonton. When we dealt with second reading of this bill, I think the minister [said] - I have these words written down, they may not be the exact words that the minister used but something like them - that if there was a continuation of the pressure involved ...

AN HON. MEMBER:

Question.

MR. CLARK:

I am just waiting so the minister can keep writing. He's talking to the Government House Leader. I thought I'd wait till he was finished.

Second, will you give us an up-to-date report on the propane situation before the Public Utilities Board? When can we expect a decision from the Public Utilities Board and when will the government then make an announcement on propane being eligible for reduction under the natural gas rebate plan?

MR. FARRAN:

Are there any other questions, because if not I'll wind her up.

MR. BUCKWELL:

I'd like to ask the minister - this bill deals with natural gas and I also notice that in Section 9 it could be extended to heating oil. Allowing that, we hope that the majority of the rural areas will be serviced by the co-op natural gas areas. For the ones that are stuck with propane with no alternative, have you planned to include propane in a rebate system?

MR. NOTLEY:

I was wondering if he could tell us what percentage of the natural gas both the two major distribution companies have is under contract in fields which they own, which would not be subject to price escalation? Also, as I understand the design of the rebate plan it is to keep the increase to no more than 5 per cent per year. Does that mean that there will be annual submissions to the Public Utilities Board as the utility companies want to increase their rates?

MR. FARRAN:

Mr. Chairman, first of all in regard to the questions from the Leader of the Opposition regarding the City of Edmonton, I have deliberately left that particular page out of the draft regulations because the subject is still under negotiation with the City of Edmonton.

When I introduced the position paper on the natural gas rebate plan to the House I indicated that the government intended 100 per cent shelter above 31 cents per MCF for gas which was calculated to be the competitive level with coal-fired power. Below that I said it would be a reduced rebate. Our negotiations are still continuing with the City of Edmonton. The latest position was that it might be phased in over the three-year period. But these regulations, as opposed to the bill. I expect the negotiations to continue for perhaps another two or three weeks.

The proposition of phasing in was at 30 per cent shelter in the first year of the three-year plan, 20 per cent the second year and 10 per cent the third year.

Insofar as propane is concerned, Mr. Chairman, as I said in answer to a question in the House this morning, the Public Utilities Board has taken some initiative in the area of regulating the supply and price of butane. I believe that over the summer, over the next few weeks, they will proceed from that to the consideration of a fair price for propane. Once the price for propane is established by the Public Utilities Board it will be possible to consider the merits of a propane rebate plan on the basis of hard facts. It is not possible to produce a plan until you know what is a fair market price for propane. The supply of propane has to be assured. The price of propane is likely to fluctuate over the summer, with the reduced demand as opposed to the winter demand.

The hon. Member for Macleod asked about heating oil and propane. There are powers in this act to provide for a rebate plan that would apply to both heating oil and propane, should it be considered desirable in the future. However, the regulations at the moment only pertain to natural gas.

The hon. Member for Spirit River-Fairview asked what percentage of the gas supplied by the major utility companies is company-owned, and it is slightly below one-third of their total supply of gas, of course a decreasing quantity. The Viking and Carbon and even the Bow Island storage fields of course are quite old fields, old reservoirs, which are in a declining position.

The hon. Member for Spirit River-Fairview also asked about the escalation in the support price. Over the three years of the plan we anticipated an escalation of perhaps 7.5 per cent as opposed to 5 per cent a year. This will be judged annually by Executive Council in the light of inflation factors that might prevail in the economy and the commodity value of the gas itself.

The press reports about holding the price to 5 per cent pertain to consumer price. They perhaps misread, to some degree, the position paper on the natural gas rebate plan. The expected increase in consumer price is 5 per cent - 16.7 per cent represents rather more than 5 per cent, closer to 7.5 per cent, in the increase in the whole sale price of gas. But of course consumer price of gas reflects far more than [the price of] raw gas itself. It reflects the cost of transmission and so on.

I think that adequately answers all the sensible questions. I didn't think the question from the hon. Member for Calgary Mountain View really warranted an answer.

MR. CLARK:

To the minister. Following up on your comments as far as propane is concerned, I assume you see there being a decline in propane prices this summer. I also interpret from your remarks that you don't think there will be the demand for propane outside the province later on this year that there was last year. Is it fair then to conclude that that would likely mean lower propane prices as far as next fall is concerned?

MR. FARRAN:

Well, Mr. Chairman, I haven't got a crystal ball but it is true that this is my hope. Traditionally prices have come down in the summer. There has been some drop in the opportunity price on the export market since the peak around January.

I can't forecast what the Public Utilities Board will do but I would say that it was a pretty good indication, when they set the price of propane at 7.5 cents a gallon, that we can expect some reduction in the wholesale propane price which will be reflected through to retail and will give us a better basis on which to calculate a rebate plan if one is considered necessary.

MR. CLARK:

Following that up, Mr. Chairman, to the minister. I believe it was very early in this session when the government announced they had asked the Public Utilities Board to look at this whole question of propane. What kind of time line are you looking at? When do you expect a report from the Public Utilities Board? I recall that in the House the minister indicated he had asked the board to do it with some priority.

MR. FARRAN:

Mr. Chairman, it's an independent board and of course we don't set deadlines for an independent board. My hope is that they will be reporting at least by midsummer.

MR. NOTLEY:

Just one more question before we close. Coming back again to the 5 per cent increase in the wholesale price of gas, I take it that this is still going to require an annual review by the Public Utilities Board of the utility companies. Now if that's true, are we going to have the same general set-up for consumer representation that, for example, we've seen with the Calgary Power application on power and the Alberta Power application on power? Will there be some funds made available so that consumer groups or what have you can present their case to the Public Utilities Board?

It may well be that the companies will not just make their bid for higher rates on the basis of the increased wholesale price of gas. They may have other reasons for trying to increase it too. Then you would have a legitimate debate between the distributor of natural gas on one hand and the consumers on the other hand as to what a reasonable increase would be.

MR. FARRAN:

Well, Mr. Chairman, that's a good question and I'll give my answer this way.

If it's an increase in the general rates and there's a general rate hearing - there are likely to be two of them this year anyway for both gas companies - then you would have a full-scale hearing in a courthouse somewhere. People would make their representations and they'd introduce technical experts from both sides and so on. But for the purposes of the natural gas rebate plan, this is neither necessary nor possible. The Public Utilities Board will be checking out as many as 400 different wellhead contracts. They have to do this on the basis not of rate of return but what is fair market value. If you're going to take the gas out of, say, an export pipeline, you want to be quite sure that Albertans are not paying any more for their gas, with or without rebate than, say, the people in Ontario are. So you're looking at fair market value concepts as opposed to rate of return.

Then, their other function is to check that the rebate flows through the chain from wellhead to consumer and that the consumers do get the benefit. This again is a bookkeeping exercise to check invoices. It's like indexing one particular commodity, a bench mark, and tracking it through. So you don't have hearings on that. But you're right, if there's a general rate increase opposed from gas rebate then there has to be a general hearing. We'll have to consider at the time whether these interest-free loans should be made available to consumer groups.

At the moment I don't believe they're quite as technical as the power hearings. We have not proposed that we would offer the same benefits for the public hearings into applications for rate increases by Canadian Western Natural Gas and Northwestern Utilities.

MR. STROM:

Mr. Chairman, if the natural gas distribution system in the rural areas continues as the government hopes and as we would all hope it would, has there been any indication to the minister as to what the possible increase in propane might be just as a result of the reduction in the number of people who have to be serviced? I understand that they are at the present time shutting down some of their small rural distribution centres and moving them to the cities. There is only one conclusion I can arrive at and that is that it will increase the prices. I'm wondering if the minister has been given any information by the propane dealers as to an anticipated increase in cost because of this change of distribution.

MR. FARRAN:

No, Mr. Chairman, I'm relying entirely on the Public Utilities Board for that kind of information. In the last year they have been doubled in size, they have been given a bigger budget with more back-up staff. I still haven't got the flow of hard information back from them on monitoring.

It is true that the propane industry itself is a little afraid that as the gas co-ops gather momentum their propane subscribers will be more scattered thus increasing their delivery costs. This is hypothetical at the moment. We haven't got any hard figures on it.

[All sections, the title and preamble were agreed to.]

MR. FARRAN:

Mr. Chairman, I move that the bill as amended be reported.

[The motion was carried.]

Bill No. 43 The Nursing Homes Amendment Act, 1974

MR. HO LEM:

Mr. Chairman, on Bill No. 43 I would first like to say that I want to thank the hon. minister and the mover of the bill for giving me an opportunity to discuss with him the consequences of the amendments as submitted to you, Mr. Chairman, although it has been little consolation to me. I was very sorry to learn that in the opening remarks by the minister during our visit to him yesterday, which extended over an hour and a half, his mind was made up.

MR. CHAIRMAN:

Mr. Ho Lem, we have been going through this bill section by section. We're on Section 7 now.

MR. HO LEM:

Section ...

MR. CHAIRMAN:

Seven.

Section 7

MR. HO LEM:

My amendment is as follows. Section 4 of the bill is amended as to the proposed Section 7(1) ...

MR. CHAIRMAN:

You're speaking to Section 7(1)?

MR. HO LEM:

Yes.

MR. CHAIRMAN:

Very well. Please continue.

MR. HO LEM:

My amendment is to include the words "for" and "approval". You have the amendment before you.

During our discussions there were some doubts expressed as to the practicability of Bill No. 43. This was expressed even by the minister himself. However, even though he did make such expressions he said that he felt the bill should go through as presented.

I cannot help but feel that there are some political pressures put upon the government, influencing the government to take this type of stand. An example of what pressures can be applied would be the meeting held in August of last year when the minister himself referred to a meeting. This meeting was held by the committee of cabinet and was initiated upon the request of a very strong Conservative supporter who is himself a nursing home operator. I feel that perhaps at this particular time I should not mention the name. However, I think some of the members on the opposite side know of whom I speak.

We do concede that - I don't hear any questions as to who this member might be. However, if I am asked I would respond to that comment too.

SOME HON. MEMBERS:

Go ahead.

[Interjections]

MR. CHAIRMAN:

Order please. Please continue, Mr. Ho Lem.

MR. HO LEM:

I notice that the patience and tempers of some of the members on the opposite side are strained a bit, and I am just wondering whether at this particular time - at the end of the session we find that the Deputy Premier is quite impatient at times. I noticed in the past few days that he has nearly lost his temper on several occasions. It doesn't really bother me because the more I hear him roar the more I know we are getting to him.

DR. HCFNER:

I am pretty knowledgeable about what you are talking about. Say what you want to say.

AN HON. MEMBER:

Spend a little time in here.

MR. HO LEM:

I was going to make reference to certain things regarding the experience I had this afternoon, but I was a little doubtful - after hearing the remarks coming from the opposite side as a response to the hon. Member for Calgary Mountain View - I was a little hesitant to state things about anything related to the subject of alcohol. You know at the ...

AN HON. MEMBER:

Thank you, George.

MR. FCSTER:

Don't be reluctant, George. Let it all hang out.

AN HCN. MEMBER:

What section is he on?

MR. HO LEM:

I think we should concede that certain portions of Bill No. 43 are good. For instance the part we referred to, that we would like to put the ownership of nursing homes back into the hands of Albertans. This we certainly support, but the overall effect of Bill No. 43, I feel, is detrimental to a good, proven program.

What it really does is remove local autonomy. It is taking away the decision-making powers of a local board and it discourages local input. What it really does is centralize the power of decision-making in the hands of a few.

Now, regarding the impracticability of this bill as it reads, we will find that the board, the commission itself, insofar as District No. 7 is concerned, will be required to sit down in one year and hear 17 applications. This is only one district in the province. There are 30.

I feel that there is no need for a change. The nursing home program's track record speaks for itself. I am not going to enumerate the points which I spoke on the last time this bill was before the House.

But I would want to mention that recently 157 Ontario nursing home operators came to Alberta to study the nursing home programs in Alberta. Last week the Canadian Hospital Association, 30 members strong, came from all parts of Canada to study the nursing home program and geriatrics program that is being enforced and implemented in Alberta.

They are asking, what are our standards of nursing care, what are the standards of our rehabilitative programs and what are their results? How many of our elderly people are kept at home, in the happier environment of the home? What psychological support is given to our patients?

In the city of Calgary and district there are 2,000 nursing home patients who cost the government close to \$24,000 a day or close to \$10 million a year. The role of the district board is to ensure that the maximum benefit is returned to the elderly in the way of health care and provisions for care, in the way of psychological support and other programs to ensure that the maximum benefit is returned for the amount of money spent.

Mr. Chairman, I wish to express my concern and disappointment in a government which would sacrifice principles and sacrifice the benefits of the health care program for the elderly in favour of political patronage. When I see this happen, it makes me all the more proud to be sitting on this side of the House.

MR. CHAIRMAN:

Excuse me, Mr. Ho Lem. The Chair cannot follow your arguments as to the proposed amendments you have submitted here. So please speak to the amendments.

MR. HO LEM:

Finally, my request to the government would be to delay this bill until the fall sitting to afford more time to think out its implications, to afford time for the cabinet to visit some of the nursing homes. I understand there is a visitation scheduled for the first week in June in Calgary.

Also, by delaying it more time is afforded for the hon. Member for Edmonton Jasper Place to study its implications and time is allowed for non-partisan public input and expressions on this very, very important issue.

Before going ahead and asking for a vote on this first section, amendment A under the list of amendments which I presented before you, I would ask that the government be willing to delay this until the fall sitting.

MR. YOUNG:

Mr. Chairman, I don't wish to elaborate very much on the points that have been made. The matter before us has been stated at second reading. It was stated and restated for two and a half hours one Friday morning not so long ago. To some extent there has been a considerable amount of discussion on it since that time. The hon. Member for Calgary McCall, the hon. Member for Little Bow and the minister and I have had an hour and a half

at least of intense discussion that I think was somewhat more rational than the discourse we have just heard. As a result of that cool and collected approach [we] have not been able to agree. The government has every intention, and it is the whole objective of the amendments here, to make a good nursing home complex into a better nursing home complex. That's the reason for the amendments.

As I stated in my earlier remarks, there has been considerable evolution in this area of care over the past couple of years. I suppose I could comment on the allegation of political pressures, et cetera. If we are going to discuss and debate in that form and format, all I can say is that the members here might be interested to know that I did have a meeting with representatives of the nursing homes. I found they are not, at least the ones I met with who purport to represent all nursing homes in the province, nearly as upset and concerned about the detrimental effects that are alleged to occur as is the hon. member opposite.

As a matter of fact, when it was pointed out that the present situation, Mr. Chairman, allows for private operators and service organizations such as church groups et cetera, to have to appear before a district board in their area to apply for a nursing home, and that district board is also in the business of operating nursing homes in that area, so that the district board indeed finds itself in the position of being the judge on the one hand and the plaintiff on the other, some of those representatives were quite in agreement with some of the change in location of authority which is proposed in this bill.

There is no intention in this bill of downgrading the district boards in terms of the responsibility for planning and programming, Mr. Chairman.

The only other comment I would like to make, Mr. Chairman, with respect to the amendment before us and the other amendments - which I believe the hon. member, since he has circulated them, does intend to move this evening - is that they are all an attempt to revert to the existing status of the system. They all envisage a type of administrative structure and a type of organization which the minister, in his remarks, and which I, in my earlier remarks, have clearly indicated is not the approach which is desired at this time by this government.

MR. HENDERSON:

I would like to ask the member who is sponsoring the bill if he could indicate to the House what sort of mix between private and public the government is really contemplating so far as nursing homes in the urban areas. Now I asked the question of the minister when he was in the House last time - we were discussing the rural areas - because there are certainly some different implications. Obviously the government has some sort of pattern in mind in the urban areas as to some sort of mix between publicly-owned and privately-owned. I wonder if the member could elaborate on that.

MR. YOUNG:

If the hon. Member for Wetaskiwin-Leduc would be satisfied with my repeating what I believe the minister responded with, and that was about a balance - the balance, assuming there are three types of institutions, private, publicly-owned and service organizations, would be roughly 33-33-33, I think. I wouldn't want to suggest that we are working to precisely those fractions or those percentages, but it's on a balance of that nature. That is not where we are at the present time, looking at the province overall.

MR. HENDERSON:

Is this then referring to the urban areas? Let's take Calgary and Edmonton. Is the government envisioning - they are saying in the urban areas, Calgary and Edmonton for example, that they envision a policy that one-third of the homes would be publicly-owned and operated, one-third would be operated by private profit-making institutions or organizations and the other third would be private, non-profit organizations. Is this what the member is saying?

MR. YOUNG:

This is my understanding of the minister's comment. I repeat again, and as the member has mentioned too, this would not apply outside of the urban areas necessarily. In fact it wasn't stated in that context, and I would think that it will take some time to work toward that general balance in terms of the urban areas.

MR. HENDERSON:

How does the mix stand as far as public ownership in urban areas, the two major urban centres, Mr. Chairman?

MR. YOUNG:

Mr. Chairman, I would have to sort that one out from the report of the Alberta Hospital Services Commission in order to give you a response.

MR. HO LEM:

A question to the hon. Member for Edmonton Jasper Place. You have stated that the minister indicated to you there should be one-third, one-third and one-third divided among the private, the government-operated as well as the non-profit voluntary organizations. Does this mean then that the priority now should be in the concentration insofar as the urban areas are concerned, that we should try to make up the difference? Because certainly the government-owned nursing homes, in numbers of beds, are far below 33.3 per cent, as well as the voluntary non-profit organizations - they are far below. Does your reply indicate that priority would be given in those areas?

MR. YOUNG:

In responding to a somewhat similar question the other evening, Mr. Chairman, the minister indicated that he expected the Alberta Hospital Services Commission to have regard to the particular situation in terms of the balance, but also in terms of the track record of the persons who were already in the field operating in a given area, and to the nature and ability of the applicants who came forward. I don't think he was expecting a major upheaval just to achieve a balance in a short run.

What he did indicate quite clearly was that we should have somewhat of a balance so that we can weigh the type of care provided by the different forms and kinds of institutions.

MR. HENDERSON:

Mr. Chairman, how long is it envisaged it is going to take to bring the public ownership in the two major urban centres in the province up to the 33 per cent public ownership? As the Member for Calgary McCall said, it is somewhat below that, considerably below that now. Does the government have any type of time frame in mind within the limitations of the expansion as proved necessary? Obviously if it is going to be moving in that direction, the homes that are going into those areas I would think should, in the near future, probably be publicly-owned or non-profit, privately-owned.

MR. YOUNG:

I think the situation as it exists now is out of balance - private ownership versus public ownership, and also as opposed to institutional ownership. The time frame - well, that depends of course on how rapid the expansion is in the areas.

MR. HENDERSON:

Well, Mr. Chairman, I don't want to belabour it, but I think the question is quite relevant to laying [to rest] the concern of the Member for Calgary McCall. Of course, if the government intends to achieve this type of mix, the priority in those areas - and that has been generally stated as the policy - will go on publicly-owned and operated homes, which of course are then directly under the jurisdiction of the board locally.

As far as the immediate future concerns, some of the concerns the Member for Calgary McCall had, you know, really are of no particular consequence.

If the government can give some type of general commitment in this regard as opposed to just stating a general philosophy and saying, well, we are not prepared to discuss when we're going to get around to doing something about it, then I think if the government could do something a little more than pay lip service to what they have said and be a little more specific other than agreeing that there is substantially below the one-third public ownership in the two major urban centres as well as the non-profit, then I think some of the concerns, as they say have been expressed, would become somewhat academic at this point in time.

MR. YOUNG:

Mr. Chairman, I am not familiar with all the applications and all the applicants who currently, I understand, are waiting in the wings in both Edmonton and Calgary. It is my understanding that there are a number of institutional applications from church organizations, for instance. I can't state either as to the priority which they may have and whether it is considered that they have the expertise to run the operations. I can say this: my understanding is that there will not be any takeover for the sake of takeover to achieve that balance of existing private ownership.

MR. HENDERSON:

Without cause.

MR. CHAIRMAN:

Mr. Henderson, maybe you could place that question again.

MR. HENDERSON:

The member has said that the government will not endorse a public takeover of private homes in order to bring the public sector up to the one-third ownership, and I said, yes, without cause.

MR. YOUNG:

Yes, without cause. Correct. Cause is a different matter completely. But I said, assuming that the only reason is to achieve the balance that we are talking about, then the government would not be moving to take over privately-owned homes for that purpose. Therefore it follows that the balance, if it is to be achieved, must be achieved in terms of the growth in the system and the emphasis placed upon the nature of that growth.

MR. HENDERSON:

Of course, that brings you back to the initial question. Is the government prepared to give a commitment in order to achieve that balance? Looking to the growth of the system in those two centres, are they looking towards approving or looking with greater favour on the publicly-owned and the non-profit, privately-owned than the straight private, profit-making institutions? I agree with the member on the question of takeovers. Once again, if the expansion is going to achieve this balance priorities are going to be given to the public institutions. As I say again, I think some of concerns of the member from Calgary will be somewhat alleviated. I read in between the lines that some of the questions relate to the ownership of the private programs in the private homes. The member said there are quite a number of applications before the commission from private operators as well as non-profit, private operators. Is that right?

MR. YOUNG:

I didn't say that there were quite a number of private applications, because I don't know that to be a fact. I understand that there are a number of institutional applicants, but I can't say that about the private applicants.

MR. HO LEM:

There is a good number of applications now from the private sector.

MR. E. SPEAKER:

A comment to the member and then a question. Basically in this bill I feel that ...

MR. CHAIRMAN:

Mr. Speaker, possibly we would try to get Mr. Ho Lem's amendment dealt with here. You appreciate the amendment he has is on Section 4(7).

MR. HENDERSON:

Would you read the amendment please?

MR. CHAIRMAN:

Very well. As you have in the bill, Mr. Ho Lem is introducing an amendment:

Section 4 of the bill is amended as to the proposed Section 7, subsection (1) of the Act by striking out the words "and furnish a copy of it to the Commission" and by substituting the words "and submit a copy of it to the Commission for the Commission's approval".

MR. HO LEM:

Mr. Chairman, I don't know whether all members have copies of the amendment. I had understood that the Member for Edmonton Jasper Place as well as the hon. minister have copies. I have also circulated several to other members.

This amendment is five pages long. With the attitude which has been shown by the government, and from information which I have received in Calgary today, the government is

going to bulldoze this bill through whether we, on this side, like it or not. Rather than take up time to discuss section by section, I wonder if you would permit me to make a few general comments and sit down. I know that there are a number of people on the opposite side who called the question even before I stood up to speak.

MR. CHAIRMAN:

Mr. Ho Lem, it was basically your wish that we go section by section. If you want to waive that, I am sure that I can put that idea to the members of the committee. If they so wish we will just debate the general bill.

We will disregard these amendments of yours, Mr. Ho Lem? Do you want the Chair to disregard these amendments?

MR. HO LEM:

I wouldn't want to disregard them. I would like to place them and register them with you, that these are the amendments ...

MR. CHAIRMAN:

Then I must deal with them, Mr. Ho Lem.

MR. HO LEM:

All right, section by section.

MR. CHAIRMAN:

Very well then. Let's stay with the amendment that I have just read now. Question has been called on the amendment as read by the Chair, submitted by Mr. Ho Lem.

[The amendment was lost.]

[Section 7 was agreed to.]

Section 8

MR. HENDERSON:

I'd like to inquire - when we're dealing with the bill section by section, the way I interpret the rules it means that the amendments relating to all of Section 4 of the bill can be discussed in general at one time. We may have to vote on them but we don't go through clause by clause. I'd like to suggest that it's in order if the member - and I don't know what his amendments are - but if he has a number of amendments relating to Section 4 of the bill, we should be able to discuss them as they all relate to Section 4 of the bill at one time, even if the Chair has to put a vote on them separately. I don't know if the government would concur with this interpretation but it seems logical to me.

MR. CHAIRMAN:

The difficulty the Chair has here is that, particularly with [Section 4 and the proposed Section 8] the Chair has a government amendment for [subsection] (3) and then Mr. Ho Lem has submitted an amendment for [subsection] (4). I must deal with them clause by clause.

Very well, subsection (8), the amendment as proposed by the government for subsection (3).

MR. HENDERSON:

Before we proceed, I'd just like to ask one question.

The amendment indicates this provision is not going to be retroactive. Now I'd like to inquire, if the principle is sound in the first place, why there should not be pressure to move in the direction of the amendment and make it retroactive? Possibly [we could] establish a time limit. There's a precedent for this. Go back many years to the question of ownership of hotels by breweries and there was a time provided for the owners to divest themselves of their interests. I'm wondering if the government has given consideration to making such a principle applicable in the ownership question in the private nursing homes as well - five years or something like this instead of just saying, no we're not going to go back.

MR. YCUNG:

Mr. Chairman, my understanding is that it is thought while we have a so-called grandfather clause, the government amendment before us, to provide that it is not retroactive, in fact we don't think we need it. In other words, we think that most of the owner-operators currently would fall within the terms of reference of the legislation at any event. But there was a strong representation made to us that there might be some outside it and it is just to cover that eventuality. There's a reason which relates to the wording in the contract which is used by the Alberta Hospital Services Commission, rather particular wording, which could give some legal difficulty down the road and that's the reason for the amendment.

[The amendment was carried.]

MR. HO LEM:

Amendment B:

Section 4 of the Bill is amended as to the proposed section 8 of the Act

- (a) as to subsection (4) by adding after the words "An application" the words "by a district board",
- (b) by adding the following subsection after subsection (4):
 - (4.1) Where an application for a nursing home contract is made by a person other than a district board
 - (a) the application shall be filed with the district board accompanied by
 - (i) any plans and specifications required by the regulations, and
 - (ii) any other information required by the district board,
 - (b) the district board shall hold a hearing with respect to the application, and
 - (c) the district board shall, after the hearing, forward the application to the Commission with its recommendations in respect of the application.

MR. CHAIRMAN:

You may continue with that, as to subsection 5, Mr. Ho Lem.

MR. HO LEM:

And still under my amendment B, section (c) of the amendment:

as to subsection (5) by striking out clauses (b), (c) and (d) and by substituting the following:

- (b) where the district board is not the applicant, give notice of the time and place of the hearing to the district board and permit the district board to appear at the hearing and make representation to the commission regarding the application.

Now the purpose of this amendment, Mr. Chairman, is to place any applications that might be made by the district board for a new nursing home - that it should be heard by the commission and decided by the commission. Under the present Bill No. 43 it suggests that an application by a district board should be heard. A public hearing should be called where all nursing home operators in the district and any other interested persons may come and voice their objections to the application.

The difficulty in this situation is that the district board is charged with the responsibility of overseeing and having jurisdiction over the nursing home operators in the district. Now we find that under Bill No. 43, these people in turn, have the right to come and say, no, we don't want the district board to set up a nursing home because - for many reasons, such as, well, it may be in direct competition with themselves. I feel that certainly this should not be allowed.

The final decision on the application by a district board, we agree, should be decided by the commission itself, and further to this amendment, that where an application by a private nursing home operator is made, the district board which has been charged with the responsibilities of reviewing the present situation reviews the application and then submits it to the commission for approval with its recommendation. Now, we are suggesting that where an application is made by a private operator this process should be continued.

That, in the main, is amendment B as submitted by myself.

MR. YOUNG:

Mr. Chairman, the amendment, in my opinion and that of the minister, would have the effect of reverting the proposed Bill No. 43 which is before us, to the system as it exists today. In other words, it would nullify all that we're trying to achieve in Bill No. 43 in terms of the locus of the decision in terms of new applicants. It would, in fact, leave the district board in the position of being the judge and also the plaintiff as to new applications.

MR. F. SPEAKER:

This is actually the point that I wanted to make earlier. I feel that the government should certainly consider the action it is taking at this point in time because what it is doing is placing the decision-making power in the hands of the commission. The commission, with this bill - this area of Section 4 indicates that the commission can determine, at the local level, who establishes the new nursing home, who provides the new facility, the kind and the way. The local board really has - I'm not sure just what the role is, after this particular bill is passed - but really the local board is relegated to a role of irrelevance. And that's my concern.

I think if the government was concerned about empire building, was concerned that the local boards were not following a certain pattern, there must have been some other way. There must have been some way of working with local boards to look at an overall provincial plan. That's number one. Second, if the government was concerned that local people were empire building and that nursing homes were both judging people and at the same time in the operational business, I am a little bit concerned about that one too. I see a bit of conflict there. There could have been a better way of looking at that.

I think one of the ideas that maybe should have been looked at is the possibility of elected people at the local level taking that responsibility. Then there would be an accountability by those particular people. They may be able to handle the situation a little better.

As it is now, under this technique, it is fully centralized in decision-making. Maybe that is consistent with other things the government is doing and wants to do here again.

MR. HENDERSON:

Mr. Chairman, I would just like to make a comment and ask a question.

I think first, looking at the role of the commission, it has to be that the commission is the party that makes the decision. Let's take the private operator out of it for a moment. The government doesn't allow local authority to make a decision to build a hospital if they have to pay the running bill. The provincial government makes it.

I have to suggest that it is only common sense and sound management, notwithstanding all the other arguments about local authority, that the final decision whether a home is to be built obviously has to be made by the commission, because the commission funds it. The local authority doesn't put a nickel into the funding of the home. So there can be no question about the fact that the commission in the final analysis has to make the decision.

What I have gathered, listening to this thing; there is some local politics getting into some of the decision-making, their ideas as to who should be deciding which private operator gets the home.

I must confess that now that I no longer share the responsibilities on that side of the House, I share the views of the Deputy Premier. I am not too certain that we should have private operators in the business anyway, because I foresee, in the years to come, the same problems developing with private nursing homes that developed with private hospitals.

As the pressures of cost come on the system, the private operator is going to be the one who is going to be putting up the most squeaking because he can't make his profit out of it, whereas the public ones can devote what is otherwise the profit to the home.

I have strong reservations about going overboard in favour of the private homes. Let me make this very clear. I do say that I agree, as long as they can sustain them in the system they should be kept there, because they do provide the competition which I think leads to the pressures for greater efficiency in the public institutions; just as the private hospitals that still exist do on the public ones, because they can operate more efficiently.

What's bothering me a little bit about the government's amendment in the bill, and the amendment before the House that is coming from the hon. Member for Calgary McCall, I don't quite understand why, when an application is made by a private operator or somebody other

than the board for a home, for a public one, I cannot understand why the commission feels that there isn't a responsibility on them and that the local authority does not have the right to be present and make representations at the hearing.

The way I read Section 5 - and I would like the hon. member to clear it up - it says:

The Commission shall

- (a) hear and decide the application,
- (b) give notice of the time and place of the hearing to
 - (i) each operator who operates a contract nursing home ...

I don't know, maybe if the local authorities operating a home - maybe it is considered a contract nursing home. Maybe that's the answer.

But if it isn't, well then you go on down here, "the district board of that district if it is not the operator of a contract nursing home". So that deals with the province. The local authority has every right to be present at the hearing and to present its views on the matter, is that the case?

MR. YOUNG:

That is the case. It not only has the right, but it has a responsibility under the amendment. Let me refer to Section 7 on page 3 where the bill declares a responsibility to the district board to prepare a nursing home program for the district. It seems to me that means automatically the district board is going to be highly sought after in terms of the advice which it can render to the Alberta Hospital Services Commission. Clearly it is going to be deeply involved.

MR. HENDERSON:

Mr. Chairman, if I could just conclude and make one final comment. I think if one wants to go back into the program and its history, one will find that the government has always made the final decisions as to who gets a contract nursing home. The local authority has never made that decision. They received the applications and maybe processed them and maybe tried to hold some up. I suspect maybe that's the problem we're getting at here. I don't know. The government has always made those decisions. Quite frankly, I cannot conceive of a program where the provincial treasury is financing the operations of the home where anybody other than the provincial government or its agency would be making the final decisions. I had difficulty following the logic in the amendments that are now being proposed to the bill.

MR. DIXON:

Mr. Chairman, I'd like to support the hon. Member for Calgary McCall. I think if you are going to have anything to do with the local authorities you should either give them something to do or say they are not needed. But the more I read this bill I sure would like to know what's behind it. All they are doing is just chipping away the authority of the local people or actually taking it away. It's become a toothless tiger. I don't see how you can create any interest at the local level if you come along and say, well, we're going to have you there but really you have no final say. Surely we at least should be able to make some strong recommendations. They should be the ones who decide locally whether the thing is needed. They can make the recommendation for the final decision of the commission.

I'd certainly like to know. I wonder if the hon. Member for Edmonton Jasper Place - I'm sorry the minister isn't here as I'd like to direct it to the minister, but the sponsor of the bill should be able to answer. What is the thinking behind this? Were the local people not doing a good job? Were local politics involved? Just what is the reason for bringing in this bill? Surely to goodness they should have some input on who is going to get a nursing home at their local level and at least be in on the discussions when an application is being made.

MR. HENDERSON:

Before the member answers, could I ask him to answer this question at the same time. Did any local authority in the province of Alberta ever in the past have the authority to make the decision as to who, among the private operators who were applying, received the approval to construct and operate a nursing home? Have the local authorities ever had that authority in the past?

MR. YOUNG:

On the last question first. The local authority, in my understanding of the way it has worked, has been making recommendations. But the final contract is made by the

commission or with its predecessor in the department. So I think the answer to that is no, as far as I'm aware.

I don't know whether I should repeat the same argument all over again, Mr. Chairman, because I have to come back to the same argument of the plaintiff-and-judge position the district board currently is in. In terms of involvement of the district board there is clearly an onus in Section 7(1) on the local board for its advice. It is made responsible to prepare a nursing home program for the district. It is clearly accepted, in my view, that the local board knows best the needs of the district, should make those recommendations and advice known to the Alberta Hospital Services Commission and should do it in whatever time frame it wants, one year to five years or whatever it considers is necessary.

In terms of partisan politics, and I think that's the manner in which it has been raised, I'm not aware of any. I suppose that in terms of politics as between individuals there have been some. I think the chairman of No. 7 Board, who is with us this evening, would not deny that this happens. There have been attempts by one person to influence another, but all in terms, I hope, of a difference of opinion as to what is best for nursing home programs in that area. That's fair ball. That's happening right here in this Legislature.

In terms of empire building, the only empire I can see there might be concern about right now is the empire of the district board. I am surprised that it took the Member for Little Bow to raise the question of empire building. On the other hand I can understand why the Member for Calgary McCall would not raise it, it being his position.

So, Mr. Chairman, I can't add any more, except to say that we're back to a fundamental difference of opinion on the way the administration of nursing homes should go. We have debated what those differences are in all their fine and glorious detail. I don't intend to repeat them again.

MR. HO LEM:

Just to speak on the same question which has been posed by the Member for Wetaskiwin-Leduc, does the local board have an input or the authority to make a decision in regard to new applications? I think this was what you wanted to know. I think the situation as it now exists is that the local board makes a recommendation for the ensuing year, including the number of applicants that it recommends be approved. The commission, under the present Act, must acknowledge this submission by way of making amendments or approving it. After making amendments, at least the local board would know where it stands. But presently, as Bill No. 43 reads, the district boards make the submission of the program to the commission and the commission is not obliged to reply whether it accepts or rejects the proposals.

SOME HON. MEMBERS:

Agreed.

SOME HON. MEMBERS:

Question.

MR. HENDERSON:

Just before we ask the question, I'd like to clarify one further point for my own satisfaction. Are any of the local boards at the present time filtering out applications that are being made to the board and not sending them on to the commission with their recommendations, pro or con? I can see the local authority take ten applications, look at them and make recommendations in the order of priority. They think it may be the operators who possibly are to be preferred as far as expansion in the system. Is the local authority filtering five of those out, for example, and maybe only sending five of their recommendations on to the commission?

MR. HO LEM:

Mr. Chairman, certainly I have no knowledge of that going on. As far as district 7 is concerned, all applications are forwarded to the commission with our comments.

[The amendment was lost.]

MR. HO LEM:

As proposed, Section 4 of the bill is amended as to the proposed Section 9 of the act, by adding the following ...

MR. CHAIRMAN:

Mr. Ho Lem, may I first just have agreement to Section 8 before we move to Section 9.
[Section 8 as amended was agreed to.]

MR. CHAIRMAN:

Section 9 now, Mr. Ho Lem.

Section 9

MR. HO LEM:

Section 4 of the bill is amended as to the proposed Section 9 of the act, by adding the following subsection after Section 9:

Where an application for an approval is made under subsection (8) by an operator other than a district board, a copy of the application shall be furnished to the district board.

I feel, Mr. Chairman, this is just a matter of courtesy. If an application is approved by the commission, certainly the district board should have the right to know that this in fact has been approved, if we are expected to do the policing of the program as is required under the act.

MR. HO LEM:

Just before the question is called would the mover of Bill No. 43 like to comment on this amendment?

MR. YOUNG:

Well, Mr. Chairman, we are back to the same concept: an attempt to reinstate in these amendments as proposed by the government, the situation as it exists today, or a part thereof, in terms of relationship between existing board and nursing home operators within the geographic area of the district board. The government or the minister is opposed to the amendment.

MR. HO LEM:

May I ask a question of the hon. member? How would the district board know if indeed there has been a transfer of operator or change of operator? How would the district know? Certainly the district board which is charged with the jurisdiction of a program is entitled to know.

AN HON. MEMBER:

Right.

MR. HENDERSON:

I am at somewhat of a loss to understand why this courtesy at least isn't forthcoming to the board. I think the point is well taken. I cannot even understand why the government should object to it because surely if there are objections at the local level to some action under Section 9, it is in the interest of the commission, the government, the board and the public for the commission to hear those objections before the fact, rather than waiting until after the fact and invoking the accomplished transaction on the board. I think surely there can be no objections to allowing the commission to be aware of such a transaction and having the opportunity to express opinions before such a transaction takes place. I can't understand why the commission or the government should object to such a proposition.

MR. YOUNG:

Well, Mr. Chairman, the intent - as the minister has expressed and as I understand - the whole tenor of this piece of legislation, the whole modus operandi of the administration of this legislation, the whole relationship between the Alberta Hospital Services Commission, the nursing home operators and the district board would be to involve the district board in a very close advisory capacity in terms of this type of thing.

What the hon. member has tried to do in all these amendments is to establish a legalistic framework, a legalistic structure between the district board and the Alberta

Hospital Services Commission which is trying to change the balance the government is trying to achieve.

Now, obviously, if the board is to be truly effective in an advisory capacity, the Alberta Hospital Services Commission must keep it informed. Clearly under some of the things provided for in Section 8 there may even be public hearings involved. So I think it will follow without saying and without legislation that there will be close liaison and cooperation. I submit that what the member is trying to do by this amendment is force in statute a relationship which may very well hark back to the relationship we have now and distort the type of relationship we are trying to achieve.

MR. HENDERSON:

Mr. Chairman, I couldn't support the propositions contained in the previous amendment, but I must say that I express amazement at the attitude relative to this amendment. All this amendment says is the commission shall give the local authority, which has the responsibility for the administration of the program and home on a day-to-day basis, a copy of the application. I cannot for the love of me, with any stretch of the common sense, understand how this is going to infringe upon the prerogatives of the commission. I think it's simply a matter of a courtesy.

I can't imagine a school, the educational department for example, making an arbitrary decision about - there isn't a question of private ownership in here - something to change a public school to a private school or vice versa or so forth without taking the local authority into its confidence and asking for its considerations on the matter. I don't agree with the proposition that the commission should abandon its responsibilities to the local authority in the essential decision-making areas. But this has nothing to do with decision-making. This is just a matter of communication, putting to rest the fears of local authority that transactions such as this are going to take place without its knowledge. I come back to the fact, surely, it's in the best interest of the administration of the system, both the relationship between the board and the commission, that the commission provide this particular information to the board.

I can only conclude, Mr. Chairman, that the reason the amendment is forthcoming is because there must be an implication that the commission is not providing that information to the local authority. It has nothing to do with infringing upon the authority of the commission or waiving the decision-making in favour of the local authority at all. I think it is a matter of courtesy. I can't really see where the commission or the government can really seriously object to keeping the board informed locally before the fact of a transaction relating to the ownership of a home over which they have the operational responsibility on a day-to-day basis. It is just incomprehensible to me, Mr. Chairman.

[The amendment was lost.]

[Section 9 was agreed to.]

Section 10

MR. HO LEM:

[In] Section 10,

Section 4 of the bill is amended as to the proposed Section 10 of the Act

(a) by striking out subsection (3) and substituting the following:

(3) The Commission shall hear and decide the application under subsection (1)

(b) by striking out subsection (6).

What this means, Mr. Chairman, is that if there is a sale by a private operator to the district board this decision should rest entirely with the commission for approval and not [involve] calling the various other operators in a district into the act. Under the proposed Bill No. 43 it says that each operator in the district would be given notice of the hearing and would be given the privilege of coming and objecting to such sale. I think that certainly any decision regarding a sale of a nursing home to the district board should be decided by the commission alone without any interference from other operators who are, in effect, competitors in the same nursing home field.

And by striking out subsection (6) which presently reads:

Where the Commission finds that an operator or former operator has been unsuccessful in his attempts to sell his nursing home business to a person who is eligible under section 8, subsection (3) to enter into a nursing home contract, the

Commission may direct the district board to purchase the assets used in connection with the operation of the nursing home at a price equal to the valuation of those assets

I am saying that if a nursing home operator is forced to sell, or wishes to sell his nursing home and is unsuccessful in finding a willing buyer, under subsection (6) the district board is compelled to pick up a lemon. If no one else wants to buy the nursing home certainly the district board would not want to pick it up, even at a giveaway price.

I know of several nursing homes in the city of Calgary that the operators would like to get [out] from under and who are not able at the present time to sell them to any willing buyers even at giveaway prices. What this section is saying is that in the event they are not able to find a buyer then the district is saddled with an operation that is not a paying proposition or perhaps the facilities are not suited for the delivery of good nursing home care.

MR. CLARK:

Mr. Chairman, I'm just dealing with the amendment the member proposes. Isn't the hon. member, Mr. Young, going to comment and give us some indication why he thinks, to use the term of the Member for Calgary McCall, a lemon can be frankly foisted on a regional or local board?

AN HON. MEMBER:

Read it.

MR. YOUNG:

For the second time, Mr. Chairman, and I'll try to do it briefly - the third time I think it is - there isn't any foisting of a lemon on the district board at nursing home prices. If it's read carefully, the act clearly states that the valuation which will be established will be that of the assets and not as a going concern. So if the district board is forced to buy it, it will be forced to buy it at 'lemon' prices, whatever those are. In other words, they shouldn't have to pay any more than the true value of the asset as it exists and if the buildings are in no condition to continue operation as a nursing home, then obviously there isn't much there except a plot of land. Clearly that would be the asset value.

The government, if it is going to be able to preclude, to limit the market for nursing homes - which may be the effect, in part at least, of certain measures here in trying to make sure that the operators are all Albertans - if we're going to do that and if we're going to make sure that certain standards are met, it also has an obligation and this is the way it chooses to handle the obligation. But it's a long way from saying that the district board is going to be forced to purchase something at inflated values. Clearly, the balance of the provisions in that section just simply do not do that and provide that it cannot happen.

MR. DIXON:

I'd like to ask the hon. member a question then. If the local board feels it wouldn't be a good buy, even at the asset price, why doesn't the commission do the buying then? They're making the final decision anyway. So why don't they buy? Why bother with the local board? You forgot about them for everything else as far as final decisions are made on the starting of a nursing home? Why don't we apply the same rules to the purchasing of one such as we're talking about here where somebody wants to sell and can't find a buyer? The local board may have a good reason why they don't want to buy it and yet you're going to foist it on them anyway.

MR. YOUNG:

Well, Mr. Chairman, the Alberta Hospital Services Commission is not in the business of dealing in real estate and that's clearly what the hon. member would like. That is the function that, in part, the district board is filling. It's an owner-operator. No doubt, through the course of time, some of the properties that a district board may have may become undesirable in terms of nursing homes and they'll have to sell them for something else. This is just another illustration and I don't see the objection at all, especially in view of the long lament we've been listening to - at least I've listened to for some four hours on this bill about the downplaying of the district board.

MR. HO LEM:

Mr. Chairman, in view of the last comment made by the hon. member and the attitude displayed thus far to all the amendments as presented, and the arrogance which is shown by the members across the way, I really see no purpose in pursuing this any further because it would be a waste of time.

SOME HON. MEMBERS:

Agreed.

MR. HO LEM:

I feel that, certainly before I sit down, there are certain comments I should make in general and ...

MR. CHAIRMAN:

The amendment is before us, Mr. Ho Lem, and we must deal with the amendment first - this amendment you have moved.

MR. HO LEM:

Well, I've already stated that I'm not prepared, under these circumstances, to go ahead with the amendment. I'm just making one final statement and I'll sit down.

MR. CHAIRMAN:

Mr. Ho Lem, you will be given the opportunity to make this but I must deal with this amendment first before you go into general remarks.

[The amendment was lost.]

[Section 10 was agreed to.]

MR. HO LEM:

Mr. Chairman, just to finish off. In summary, my comments, because of the attitude shown by the members across ...

MR. CHAIRMAN:

Excuse me. We are dealing now, Mr. Ho Lem, with Section 11. I'm still continuing section by section.

MR. HO LEM:

Well, Mr. Chairman, if you want me to go through the other five pages, I will.

AN HON. MEMBER:

Can't hear you.

MR. CHAIRMAN:

No, the Chair does not have to. If you don't want to present these amendments of yours, Mr. Ho Lem, even though they're printed, we won't deal with them then.

MR. CLARK:

Mr. Chairman, what the hon. member is really saying is that he'd like to make a rather brief statement. He doesn't plan to introduce the rest of his amendments in light of the attitude that is prevalent this evening in the Assembly. I think, frankly, to give the hon. member an opportunity and so the Assembly may perhaps move along a little more quickly, the appropriate way would be to let the member make his statement at this time. It is my understanding that the hon. member does not intend to move the rest of his amendments.

MR. CHAIRMAN:

Very well, Mr. Clark. Then all the Chair will do is call out the sections and we'll be finished with them in one minute and move to title and preamble.

[Sections 11 through 13 were agreed to.]

Section 13.1

MR. DIXON:

Mr. Chairman, I would like to ask the hon. Member for Edmonton Jasper Place about Section 13(1). I notice some of the operators are asking for a commissioner or someone to define what a nursing home patient really is. They're asking for that because they feel they can do a better job once it is defined.

I notice in the new act there is no definition of the category of a nursing home patient. I was wondering how the department is going to take care of that.

The operators say the crux of the thing is that they'd like a definition of a nursing home patient. Then they could do a better job, in their opinion. They say it's never really been defined clearly. I wonder if any thought was given to that, to spell it out so that it would help the operators in their programs. This is what they seem to want to do. While I'm on my feet, I was wondering if there was any thought given to this. I notice this is about the only part of the act where I can bring it up because it does mention patients in this particular section.

The other part is that we've had a number of people who feel they should be able to go into senior citizens' lodges rather than nursing homes, because of their special diets. I was wondering if there has been any consideration given to looking this over as far as The Nursing Homes Act is concerned to see if they couldn't encourage some of the patients who sometimes have to go into nursing homes, whether they couldn't be accommodated in our senior citizens' lodges, especially in our two major cities. There we can maybe set one lodge aside that could specialize in diets for diabetic people. They feel they should not be in a nursing home because they are not that serious. Yet there is no provision. They can't go into senior citizens' lodges and yet, to me, that would be a most logical place, if this is where they want to go, plus the fact it would be much more economical. I just wondered if there was any thought given to that.

MR. YOUNG:

Mr. Chairman, there is, on the first point, the definition of a nursing home patient. I think that's basically the question. There are a number of facets to this particular issue. The first one is, of course, that there are different levels of care required for a variety of patients within a nursing home. It is always desirable on the part of the nursing home operator to have patients requiring the lowest level of care, for obvious reasons.

So quite obviously you have a group that is interested in a definition which is a definition to their satisfaction, which may be narrower or different from what we currently have.

But to come to the broader question, and that is, what levels of care are required? The Alberta Hospital Services Commission is working on this project right now and will, in the relatively near future, I am quite certain, be arriving at a definition of levels of care, and the nursing homes will have their particular role to play in this.

So this is an open question. It is a question which is under study. It is a question which, I may say, has been aggravated somewhat by the furor of recent date over mental health, which is perhaps a supersensitiveness on the part of people to the fact that people in nursing homes and senior citizens' homes age mentally as well as physically.

I am sorry, I have forgotten the other point you asked.

MR. DIXON:

I think you have answered the question. If the commission is looking at it they will also be looking at this thing about the diabetic patients who have been turned down. I think you have answered the question by the fact that the commission is looking into the different levels. It maybe that as well as bringing people into the nursing homes they can also encourage some people to go out. I shouldn't say to go out, but where they could give them an alternative - to where we would have to maybe relax the senior citizens' lodges.

MR. YOUNG:

I just want to add on that point that the commission is also looking at providing outpatient services in certain circumstances, and this may well be one of them, because some experimentation in the last year on a trial basis has shown that this can be a very cost-effective as well as a very satisfying type of service, satisfying to the needs of the individual.

[Section 13.1 was agreed to.]

[Sections 6.1 and 7 were agreed to.]

MR. R. SPEAKER:

Just one or two comments with regard to the bill. I think the MLA for Edmonton Jasper Place has done a fair job in presenting the bill to the Assembly and I am not complaining particularly about the remarks he has made to the House or the effort he has made. Certainly he has done a commendable job.

But he has been left in a very difficult position in carrying it through the House. Number one, he has been told what the ground rules are and that those ground rules are the ones he has to follow in presenting it to the House. The only answer he could give to my honourable colleague or to any one of us is, this is the thrust that we have. We have decided on that thrust and I have got to carry it through. I am incapable of saying, look, I have got to hold it and take it back to cabinet. Because he doesn't go to cabinet. Ray doesn't sit in that line of communication.

I think that is a little unfair to the hon. member who has carried it through the House and it has made it difficult for him to do the total job that is necessary.

AN HON. MEMBER:

Agreed.

MR. R. SPEAKER:

Now, with regard to the bill itself, I think one of the whole points that has been missed by the government is the one I made earlier. I admit and am totally aware that the commission has made the final decision. That's not what I am arguing about.

I am arguing about the place and the role of this local body. As far as the bill is concerned, it is written to give centralized power and that is where it is going to lie. No clarification has been made in any of the statements or the information given to this Assembly as to how the local board will operate in the future, where they stand and whether they are really meaningful to the government at all in giving information or advice or passing on anything. I think that was certainly neglected in making that presentation.

I feel just a little bit concerned that even when we asked in an earlier amendment about information being passed back to the board so they could make some comments on it, that was rejected.

Really, we have got to that point where the government has said, we have decided. We know what we want to do. You guys can talk a little, but we want to get out of here and go home. That's the way it is and we have tried to do our best to present some alternatives.

AN HON. MEMBER:

We don't want to go campaigning for Stanfield.

MR. R. SPEAKER:

I think that at this point in time we can only say, well, if you are going to do it that way, okay, take the consequences, but remember some of the local people at the local level will want to have a say one of these days.

MR. HO LEM:

Well, just very briefly, Mr. Chairman, I feel that I should stand in my place and say this is a sad day for all nursing home patients in the province of Alberta. I feel my efforts today on Bill No. 43 have been futile. I've tried to express, in the most sincere way I know, my concern over various portions of Bill No. 43. I've tried to express disappointment in the attitude shown by the government members.

I was rather distressed to hear from the hon. Member for Edmonton Jasper Place that four hours seemed too long to spend on such an important bill. I feel if we had to sit here and even talk for four additional hours or even forty hours that would not be too much, because this affects many of our elderly people, many of them pioneers of this province.

I'm very disappointed the minister himself found it necessary to be away from the House. Certainly his presence here might have aided the hon. member in his difficult task. I don't know why he was chosen to shepherd this Bill No. 43 in the House. My only guess is that perhaps he was given this responsibility because of some misdeed he might have done in the Conservative caucus. I admire him for standing in his place and taking

orders as he did. I'm convinced the decision had already been made by people higher up than the hon. member who had made the presentation of the bill. I think I was right when I first got up and said the decision already has been made, because this was certainly evident by the lack of performance and participation by members across the way. All through this evening's discussion not more than one or two members got up on that side and spoke on the bill. So I guess the decision has been made.

Talking about the presentation of the bill by the Member for Edmonton Jasper Place, I think that yes, he was given this bill to present. Certainly when I discussed it with him I found and had a suspicion that the bill was not drafted by him. It was drafted perhaps by someone else. It was quite evident that was the case. In fact, I was given to understand the bill was drafted by the Legislative Counsel with the cooperation of the chairman of the Alberta Hospital Services Commission.

If the chairman of the commission himself would have this input no wonder we could expect something like this, the centralization of power in the commission. Because the government members have chosen to go the route they have because of the political pressures they have been subjected to, I say again that I'm proud to be a sitting member on this side of the House.

All through the discussions of Bill No. 43 not one acknowledgment has been made of the present program which has placed Alberta's program in the geriatrics field far ahead of any other province in Canada.

I think the passing of Bill No. 43 is indeed, again, a sad day for the elderly people of this province.

[The title and preamble were agreed to.]

MR. YCUNG:

Mr. Chairman, I move that Bill No. 43 be reported as amended.

[The motion was carried.]

MR. HYNDMAN:

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

[The motion was carried.]

[Mr. Diachuk left the Chair.]

* * * * *

[Mr. Speaker resumed the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bills, Nos. 47, 54 and 43, begs to report the same with amendments and begs leave to sit again.

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, I move the Assembly do now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER:

Having heard the motion for adjournment by the hon. Government House Leader, do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 2:30 o'clock.

[The House rose at 10:25 o'clock.]

