

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, May 3, 1976 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: PRESENTING PETITIONS

MR. HORSMAN: Mr. Speaker, I beg leave to present the following petitions for private bills:

An act respecting a certain agreement between the City of Edmonton and Northern Alberta Natural Gas Development Company Limited, and dated the 16th day of November 1915;

An act to amend The Mennonite Mutual Relief Insurance Company Act;

An act to incorporate the Certified General Accountants Association in Alberta; and

An act, being The Real Estate Association Act.

The first meeting of the committee on private bills will take place in the Legislative chamber on Wednesday, May 12, 1976 at 8:30 a.m., followed by a further meeting on Wednesday, May 19, 1976 at 8:30 a.m., also in the Legislative chamber.

head: INTRODUCTION OF BILLS**Bill 13****The Temporary Rent****Regulation Measures Amendment Act, 1976**

MR. HARLE: Mr. Speaker, I beg leave to introduce Bill No. 13, The Temporary Rent Regulation Measures Amendment Act, 1976. The amendments are in response to the experience that the board has had in working with the existing legislation.

[Leave granted; Bill 13 introduced and read a first time]

head: INTRODUCTION OF VISITORS

MR. LOUGHEED: Mr. Speaker, with regard to Introduction of Visitors, I think it is important that the House recognize the visit today of a very distinguished statesman from Europe. The Prime Minister of Belgium, Mr. Tindemanns, is in the province of Alberta today. He wanted to come to the Legislative Assembly, but he also wanted to take a look at the oil sands, so we suggested it would be desirable if he made that visit. We've organized it, and the Minister of Energy and Natural Resources is accompanying him.

I should point out the importance of the visit. First of all, it is the first official visit on record to the province of Alberta by a head of state from Europe. Secondly, it's a direct response to our mission to

Europe. Thirdly, it's a result of the view in Europe — I think the growing view — of the importance of the west in Confederation, and Alberta in particular. Fourthly, it involves the Prime Minister of Belgium, who has played a very major role in the European Economic Community, and has worked very closely with the Prime Minister of Canada in developing the contractual link between Canada and the European Economic Community.

It's important that he literally insisted his visit include a visit to the province of Alberta. We're delighted that he's in this province. The Minister of Federal and Intergovernmental Affairs and I had useful talks with him last evening and this morning.

I would hope that *Hansard* would record the response of the Members of the Legislative Assembly to the visit of the Prime Minister of Belgium to the province of Alberta.

[applause]

MR. YURKO: Mr. Speaker, I am indeed delighted today to introduce Grade 4 and 5 students from the St. Bede School in the constituency of Edmonton Gold Bar. These students are here with three of their teachers, Mrs. Rogers, Mrs. Grunier, and Mrs. Skugins. I should say that I had an opportunity to speak to this class recently on such a mundane matter as government, and I must tell you that I did learn something. I learned how fleeting the careers of politicians are. When I asked them who was the MLA of the constituency before me, none of them knew. Mr. Speaker, I would ask the students and teachers to stand and be welcomed by this House.

AN HON. MEMBER: Did they know who you were?

MR. HARLE: Mr. Speaker, it's a pleasure for me to introduce to you and to members of the Assembly another visitor from down under. He is Mr. David Pluckrose, a senior official of the government of the State of Queensland in Australia. He is the Commissioner of Consumer Affairs in the Ministry of Industrial Development, Labor Relations and Consumer Affairs. He is on a fact-finding mission to several places in Canada, and to Paris, London, Hong Kong, and Washington, before he returns home. I'd ask Mr. Pluckrose to rise and be welcomed by members of the Assembly.

MR. MOORE: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, some 45 students from the Routhier School in Falher, the honey capital of Alberta. They are here today for a tour of the Legislature Building, and to observe the legislative session in action. They are accompanied by their teacher, Mr. Victor Tardif, and Mrs. Tardif. They are seated in the public gallery. I would ask that they rise and receive the welcome of the Assembly.

head: TABLING RETURNS AND REPORTS

MR. LEITCH: Mr. Speaker, I wish to table the financial statements of the Alberta Resources Railway Corporation for the year ending December 31, 1975.

MISS HUNLEY: Mr. Speaker, I wish to table copies of the agreement with VS Services Limited.

head: **ORAL QUESTION PERIOD**

Hospital Operations

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Hospitals and Medical Care. The question is: what type of monitoring is the minister's department doing of the decisions made by local hospital boards regarding the closure of hospital beds?

MR. MINIELY: Mr. Speaker, as the hon. leader knows, because I have indicated in the House two or three times, I have had meetings with many of the boards over a period of a few months with respect to the expenditure restraint application by the government, not just in hospitals but generally in all public expenditure areas. That has served to advise me, as I've indicated to members of the Legislature, of the general situation of both co-operation and the potential impact reading that I've had. Generally speaking, no one needing [emergency] care will suffer as a result of the indications that boards have given to me.

As for maintaining a specific record centrally, Mr. Speaker, my view would be that it's our job to determine generally, in communication with boards, what the situation would be, that the decisions are those of the boards, and that a specific monitoring or delineation of each hospital board decision in Alberta would not be consistent with our view that those are the decisions of the hospital boards within global budgetary parameters provided to each individual hospital.

MR. CLARK: Mr. Speaker, a supplementary question. Perhaps I should rephrase the question, because no one was asking for a monitoring of each individual decision that hospital boards make.

Is the minister or his department doing monitoring so the minister and his department know the number of hospital beds that have been closed across the province, or are anticipated to be closed?

MR. MINIELY: Well, Mr. Speaker, certainly hospital boards generally have been keeping in touch with us on their plans for the particular budgets granted to them. We've gone through a budgetary appeal procedure. I must assume that all hospitals that were concerned about their budget did appeal, and we've gone through that procedure. We will continue, as at any other time, to be interested and ask hospital boards that are in communication with us on many areas to advise us what they are doing.

Having said that they should advise us what they are doing, I think we all know, Mr. Speaker, and the Alberta Hospital Association has indicated to me that it is their view, that the hospital boards should be working with the Department of Hospitals and Medical Care and the government in a consultative and advisory way, as opposed to a . . .

MR. SPEAKER: I hesitate to interrupt the hon. minister, but it appeared to the Chair that the question was with regard to possible information the minister might have with regard to the closing of hospital beds.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Has the minister or his department been involved in monitoring the changing staff patterns in Alberta hospitals, specifically with regard to the reduced number of registered nurses and certified nursing aides who are now on staff in the hospitals across the province?

MR. MINIELY: Well, Mr. Speaker, I must emphasize again that the choice of words by the hon. leader leaves the implication that the Department of Hospitals and Medical Care or the province of Alberta should in effect be monitoring in a formal way, if that's what the hon. leader is suggesting, the individual decisions made by hospital boards. I do not accept that view.

I accept the view that our informal relationship between boards and my department is that we like to be kept advised in general terms, but that the individual decisions are those of the hospital boards operating under legislation which has been passed by this Legislature and approved generally and historically by a system that's been operating in Alberta. Beyond that, subject to the laws of the province on staff matters, this is basically as far as we should be going. Formal monitoring is inconsistent with the relationship which exists between . . .

MR. SPEAKER: Order please. I hesitate to interrupt the hon. minister again, but he appears to be launching on a debate concerning the pros and cons of monitoring.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. As a result of the monitoring, or whatever other term the minister wants to use, when we deal with his estimates tonight will the minister be in a position to tell us the number of hospital beds that have been closed or that he expects to be closed in Alberta, the reduction in the number of registered nurses, and the changing staff patterns as far as certified nursing aides are concerned?

MR. MINIELY: Well, Mr. Speaker, I am certainly in a position to give, as I have publicly, a general impression of the situation in Alberta and to indicate Alberta's position, which is very favorable in relationship to any other province in Canada.

MR. CLARK: Mr. Speaker, one further supplementary question to the minister. Would the minister be prepared to give an undertaking to the Assembly that, between now and this evening when his estimates come to the House, he'd be in a position to tell the members of the Assembly the number of hospital beds he expects to be closed this year in the two largest metropolitan centres in Alberta?

MR. MINIELY: Not in specific terms, Mr. Speaker, because some hospital boards have not made their final decisions and may in fact not be making them for another month to two months, as they work through the current fiscal year that the budget is intended to operate. I can only give general impressions that hospital boards have indicated to me, and which I have already indicated publicly.

ASH/Deerhome

MR. CLARK: Mr. Speaker, I would like to direct the second question to either the minister responsible for relations with the Civil Service Association, the Provincial Treasurer, or the minister responsible for the Alberta School Hospital at Deerhome.

My question is basically this. Did the notices of the abolition of positions go out to the civil servants in time so that [such] notifications were in their hands 60 days before the actual dissolving of the positions?

MISS HUNLEY: Yes, Mr. Speaker, I believe that's correct. The notices did not go out as of March 1, if that's what the hon. Leader of the Opposition is asking. Rather, the notices went out subsequent to that. We are honoring the collective agreement, which I think is not only required of us by the collective agreement, but is also what we would wish to do as conscientious and responsive employers.

MR. CLARK: Mr. Speaker, a supplementary question. Is the minister in a position to outline to the Assembly what will be involved financially in the honoring of this agreement — the cost?

MISS HUNLEY: I don't know that I have it exactly, Mr. Speaker. The ballpark figure is about \$170,000, I believe.

Wage and Price Controls

MR. R. SPEAKER: Mr. Speaker, my question with regard to the wage and price control agreement is to the Minister of Federal and Intergovernmental Affairs. Has the minister established criteria at this time to judge the success or failure of the controls in Alberta?

MR. HYNDMAN: Mr. Speaker, I think it is probably premature to try to reach any definitive conclusion as to the success or otherwise at this relatively early date. Certainly, as we move into the succeeding months of 1976, the decision will be taken by the government.

I suppose such indicators as the consumer price index, unemployment rates, and the like would be some of quite a number of the indices that would be taken into account. But to date, apart from the fact that a number of government departments and ministers are directing their attention to that, there's been no decision taken.

MR. R. SPEAKER: Mr. Speaker, a supplementary for clarification. Is the minister saying that in his department there is no formal mechanism with which to judge the success of the agreement with Ottawa?

MR. HYNDMAN: There is a co-ordinated mechanism we have arranged, Mr. Speaker, which involves a number of departments. This started about a month ago. The review will bring about inputs from a number of departments and sources, both in government and outside, from the point of view of trying to reach a conclusion perhaps this fall or early next spring whether or not, and to what extent, the anti-inflation program is working and, of course, the extent to which the anti-inflation legislation of Alber-

ta will expire on March 31, 1977, as the bill now states.

MR. CLARK: A supplementary question. Can the minister indicate to the Assembly what outside government agencies are involved in this assessment the government is commencing?

MR. HYNDMAN: Mr. Speaker, I wasn't referring to an outside government agency; I simply meant the information, economic and financial, that is available from various sources in the media across Canada from the various statistical bodies such as Statistics Canada — that we are assessing this, as indeed I'm sure the federal government is and all the private and public sectors in Canada. I wasn't referring to any particular private consultant. There are none of that kind.

MR. CLARK: Mr. Speaker, one further question to the minister. Has the government firmed up any relationship with the Alberta Federation of Labour and the Alberta chambers of commerce with regard to ongoing input from those organizations so the government has the benefit of their advice leading to a decision that will have to be made either this fall or next winter?

MR. HYNDMAN: Mr. Speaker, we have been receiving ongoing advice from those entities and others. I have no doubt that such advice will continue during the months ahead.

MR. CLARK: Is any formal mechanism set up, other than meetings from time to time?

MR. HYNDMAN: Mr. Speaker, since 1971 we have had meetings with individual ministers, the cabinet, and the government with both those groups and quite a large number of others. Those certainly will continue. I'm sure the issue which the hon. leader talks about will come into greater prominence in the advice we'll get over the course of the next months. But we've been receiving it constantly since last October.

MR. CLARK: The answer is no.

MR. R. SPEAKER: Mr. Speaker, a supplementary for clarification to the minister. The government's position at the present time is flexible, so after March 31, 1977 the continuation of wage and price controls is quite possible in the province of Alberta. Is that right?

MR. HYNDMAN: Mr. Speaker, the hon. gentleman has made a number of statements. I wouldn't want to associate myself or the government with any of them. I think we have to simply look at The Temporary Anti-Inflation Measures Act of Alberta, which under its present terms expires March 31, 1977 unless otherwise extended by the Legislature.

MR. NOTLEY: Mr. Speaker, a supplementary question. The hon. minister indicated a mechanism which involved other departments. I wonder if, for clarification, the minister could advise the Assembly what the structure of that mechanism is.

Is it a formally established interdepartmental task force? Just how is this monitoring set up?

MR. HYNDMAN: Mr. Speaker, essentially it works within the existing arrangement of cabinet committees, which in their decision-making functions call upon and receive the best advice of people in various departments.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. At this time is there no specific secretariat or co-ordinating organization apart from *ad hoc* cabinet committees?

MR. HYNDMAN: Mr. Speaker, as I think I mentioned two weeks ago, there is an informal monitoring office to monitor the anti-inflation program in the province, to secure information as necessary, and to establish an informal relationship with the Anti-Inflation Board in Ottawa. This has been ongoing. I think it simply involves one or two people.

Syncrude Hiring Practices

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Advanced Education and Manpower. It concerns his responsibilities in manpower.

In light of the recent letter from Syncrude, to the co-ordinator of Native Outreach requesting applications for office or white-collar jobs as opposed to other jobs, can the government advise the House whether Syncrude is fully living up to its commitment to provide maximum native job opportunities?

DR. HOHOL: Mr. Speaker, without hesitation I would say the original intent of the provision of opportunity is being met. A whole series of programs, services, and people are in line to attempt to meet that commitment.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Will applications from Native Outreach be considered on a completely equal basis with job-site or long-term job applications from other sources?

DR. HOHOL: Yes, they will. There are some comments I should like to make on this matter and will be able to make on the second reading of the manpower development act. But the answer is, unequivocally, yes.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to advise the Assembly of the extent of Syncrude's commitment to hiring native people? I mean in terms of percentage of their total labor component.

DR. HOHOL: We never worked on a percentage basis, Mr. Speaker. We find that a constricting and deceiving kind of notion. What we have worked on is the development with Syncrude, Canadian Bechtel, and certain federal and provincial government agencies — for example, the Alberta Vocational Centres and the manpower division of our department — of opportunities for all people, including natives. Some successful innovative approaches have been put on line, and

are being worked out by all the agencies and groups I've mentioned.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Can the minister advise the House whether it is true that Indian Affairs and Northern Development provides a subsidy which encourages Syncrude, or other corporations for that matter, to hire Indian as opposed to Metis applicants?

DR. HOHOL: I don't know this specific information, Mr. Speaker. I do know that Syncrude, in its agreement of a few days with Ottawa, addressed the matter of employment of native people.

MR. SPEAKER: Might this be the last supplementary on this topic.

MR. NOTLEY: Mr. Speaker, may I direct that question to the hon. Minister Without Portfolio in charge of native affairs. Again, to refresh his memory, it concerns whether there is a subsidy from Indian Affairs and Northern Development which in effect provides an incentive for large corporations, Syncrude in this case, but others for that matter, to hire Indian as opposed to Metis applicants.

MR. BOGLE: Mr. Speaker, the answer to that question is no. Discussions about native employment have been taking place between various representatives of the federal Department of Indian Affairs and Northern Development and the province of Alberta as well as Syncrude. Those discussions will carry on through the management committee. It is our intent to see that there are job opportunities for all citizens of Alberta, both Metis and treaty Indian.

Canadian Citizenship Act

MR. KIDD: Mr. Speaker, my question is to the hon. Minister of Federal and Intergovernmental Affairs. Could the minister comment on the progress through the House of Commons of the amendment to the Canadian Citizenship Act?

MR. SPEAKER: With great respect to the hon. member, it would appear that that information might be sought directly from someone in the House of Commons.

MR. KING: Could the minister advise whether he has received from his federal counterparts any indication of their willingness to incorporate at committee stage amendments which would facilitate provincial control of the transfer of land in the province to non-residents, non-Canadians?

MR. HYNDMAN: No, Mr. Speaker, we have not yet received a response.

Power Generating Plant

MR. ZANDER: Mr. Speaker, my question is addressed to the hon. Minister of Utilities and Telephones. I wonder if the minister could inform if a decision has yet been reached by the Alberta Energy Resources Conservation Board on the Dow Chemical proposal to build an electric generation plant east of

the city of Edmonton that will utilize 17.3 billion cubic feet of natural gas a day.

DR. WARRACK: I would understand from the direction of the question that this is to do with the power plant. The answer is, Mr. Speaker, that the ERCB has reserved its decision on that matter and will be studying and making recommendations in due course.

Foothills Hospital — Kidney Transplant

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Hospitals and Medical Care. Is the minister in a position to indicate whether a kidney transplant specialist has been hired by the Foothills Hospital to reinstitute the transplant team at that hospital?

MR. MINIELY: Mr. Speaker, I am not able to give a report further to what I've indicated earlier in the Legislature in response to that question. But I will check into the updated report on the matter and report to the Legislature.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate whether his department has a definite policy in regard to the degree of autonomy with which provincial hospitals should be run?

MR. MINIELY: Mr. Speaker, I think I was indicating to the hon. leader earlier, and have consistently indicated, that we clearly believe the choice of individual programs and priority of programs in a hospital is with the hospital board. We do not believe that all wisdom in health matters is centralized with the provincial government. We have very many capable people in hospital administration.

Frank Slide

MR. BRADLEY: Mr. Speaker, I would like to address my question to the hon. Minister of the Environment. In light of the reply last Friday from the Minister of Government Services also responsible for Culture to my inquiry about the Frank Slide, I'd like to ask the minister whether he'd be able to indicate to the Assembly what progress is being made towards having the Frank Slide designated or declared a restricted development area.

MR. RUSSELL: Mr. Speaker, at the request of the hon. Minister of Government Services also responsible for Culture, the Department of the Environment did make preliminary inquiries as to the possibility of outright purchase of the Frank Slide area. The owners didn't show much interest in that kind of transaction, so we have prepared a draft order for a restricted development area. If we're unable to reach agreement on how to proceed by declaring it a heritage site, it may be possible that that other kind of solution would be used.

MR. BRADLEY: A supplementary question, Mr. Speaker, to the hon. Minister of the Environment. Has the CPR or the Winnipeg Fuel and Supply Company a licence or permit under The Land Surface

Conservation and Reclamation Act to operate a pit or quarry in the Frank Slide area?

MR. RUSSELL: Mr. Speaker, I don't have that information with me, but I'll be glad to get it and report to the member.

MR. BRADLEY: A further supplementary to the hon. minister. In light of the pending designation of the Frank Slide area as a classified historic site, would the minister consider issuing a stop order to the CPR or Winnipeg Fuel and Supply Company to desist operations if they do not have the necessary permits, licences, or approvals?

MR. RUSSELL: That question contains a number of hypotheses, Mr. Speaker, but I think the answer would be that, to protect the valuable aspects of the Frank Slide area, we would want to proceed legally with the companies.

Syncrude Agreement

MR. CLARK: Mr. Speaker, I'd like to direct my question to the Premier, and ask if it's the government's intention to table the Syncrude agreement now that it has been signed.

MR. LOUGHEED: Mr. Speaker, my understanding from the Minister of Energy is that it is his intention to do so. I gather the extent of the paperwork is significant. Perhaps the documents will be tabled in the House within a day or so.

MR. CLARK: A supplementary question to the Premier. Perhaps the question should be more appropriately asked of the Minister of Energy.

My question basically is: prior to the signing, were there any changes of substance in the agreement?

MR. LOUGHEED: Mr. Speaker, because of the nature and import of the question I believe I should take it as notice and have the hon. minister respond when he returns to the House tomorrow.

Oil Pricing

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Premier. Last Thursday the Ontario government released a report which indicated that an increase in the price of oil would seriously jeopardize Canada's export position.

Has the Government of Alberta assembled statistics and data, or prepared a report, which would refute this claim?

MR. LOUGHEED: Mr. Speaker, I'm not sure whether the hon. member concurs in that Ontario point of view, but it didn't take the province of Alberta very long to come to a conclusion. Ontario is now being provided the cheapest crude oil in the world, so I hardly see how they could come to that conclusion. I don't need to write a report to reach that conclusion.

AN HON. MEMBER: Hear, hear.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification to the hon. Premier, in view of

the fact this will be discussed at the upcoming First Ministers' Conference. Has there been any assessment by the Government of Alberta of the impact of higher petroleum prices?

MR. LOUGHEED: Mr. Speaker, I'm sure there are a number of ways in which the impact of higher prices can be avoided. I will make the point in Ottawa on Thursday. I'll make it again later. There's a very easy answer for the Government of Ontario: simply cut its own gasoline tax in half, bring it down to Alberta's side, and none of the consumers in the province of Ontario will suffer.

MR. NOTLEY: Mr. Speaker, I admit this is a little bit of a fishing expedition. Is the Premier in a position to advise the House whether Alberta's target at the conference is a \$3 a barrel increase in the price of oil?

MR. LOUGHEED: Mr. Speaker, I think, and we've said on a number of occasions, [that] we've proved the merit of not approaching conferences of this nature by establishing a specific target on one item. It's part of the total package of negotiations, and it's proving more and more effective over the course of time. I recall the hon. members on the other side pressing the export tax during the 17th Alberta Legislature. The position now with regard to the export tax is that it's turning into a deficit, and we're on the side of rising prices.

No, we look at the negotiations totally. They will involve not just the price of crude oil, but parity regarding natural gas, the overall timing situation, any involvement in terms of economic development in the west, and the long-term situation in this province, having regard to the constitutional situation.

I say all of that, Mr. Speaker, recognizing that in going to a meeting of 11 governments, only three of which involve producing provinces, I think most members in this Legislature would agree that it is extremely unlikely there will be an agreement in Ottawa this Thursday.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Is the Premier in a position to advise the House whether the government is now reviewing the royalty structure above \$8 a barrel? Are any studies taking place to reassess royalties, or will the present royalty structure remain in existence regardless of what the increase may be?

MR. LOUGHEED: Mr. Speaker, we believe we've struck a very appropriate balance. I think that the federal energy strategy for Canada has recognized that very well in the way it's set out in that document — a balance between a return to the citizens of this province and sufficient incentives for all Canadians as well as Albertans to have exploration for new oil and gas reserves in Canada. It is a matter of balance. It's always a matter of good public policy and debate, but we think that the very fact there's been such a renewal of activity and exploration, is a very positive factor, and that the recent budgets are reflected there.

I would just like to reiterate, as I have a number of times in this House, that when we deal with matters of activity in the petroleum industry, we're dealing

with thousands and thousands of jobs for Albertans, and we should not lose sight of that.

Gaming Regulations

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. the Attorney General. Could the Attorney General indicate whether the present policy of allowing the operation of only one casino in a city is going to be adhered to this year? I am speaking specifically of the Calgary Stampede and the Edmonton Klondike Days.

MR. FOSTER: Mr. Speaker, I don't think it's a policy at the moment to allow only one casino to operate in an urban centre, but it will be the policy, as announced today, after June 1. With respect to exhibition associations, we're saying that we'll only allow one casino to operate in a city at any one time. During the exhibition periods it must operate on the exhibition grounds.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the Attorney General indicate what the government's policy will be when there is more than one application in a city for a casino?

MR. FOSTER: Mr. Speaker, I don't know the actual numbers, but perhaps I should indicate to the House that in the last year there has been a twentyfold increase in the number of applications for casino licences across the province. I can assure the House that that is well more than we could possibly accommodate within a 365-day year in Edmonton, Calgary, or some of the other urban communities.

We have come up with a new classification system with maximums of 15, 30, and 50 tables, depending on the size of the organization. Our preference is clearly for the smaller casinos rather than the major ones. We'll be working on the very difficult process of selecting those successful applicants. Usually it's first come, first served, but with the snowball of casino applications that has occurred in this past year, it's been extremely difficult simply to handle the number of applications, much less be rational and objective in our assessment of them.

MR. CLARK: Mr. Speaker, a supplementary question to the Attorney General. In light of the announcement he made this morning with regard to the difficulty of policing the new regulations, I'd like to ask where the responsibility will rest for the policing of the new regulations.

Will it be with the police departments primarily in the cities of Edmonton and Calgary?

MR. FOSTER: Mr. Speaker, we feel that the guidelines we have outlined today can be enforced by us in co-operation with the police forces of the province. One does not have to be a gaming or gambling expert to ensure the compliance with the guidelines we have set out. We're reasonably satisfied that prepared police officers and prepared inspectors in the department can spot the infractions and, if necessary, suspend licences and shut them down. We do not feel we'll have to call upon substantial police resources in Edmonton or Calgary in order to enforce it adequately. I would anticipate that in the course of

the next year we may acquire a modest increase in the inspection area of the department, headed at the moment by chief inspector Ron Sheppard.

MR. CLARK: Mr. Speaker, a further supplementary question to the Attorney General. Is it the intention of the Attorney General's Department to call together those organizations that in recent years have been sponsoring or involved in the more respectable casino operations and give them, if I could use the term, a short course in the government's toughened regulations?

MR. FOSTER: Mr. Speaker, no doubt that would be appropriate in some circumstances. We will be widely circulating the guidelines I announced this morning. It may be too soon to tell whether we will have to follow up, or should follow up, with meetings of various groups and associations. It's important, though, that these guidelines be circulated broadly. Judging from the media response to date to the statement, I am confident it will be circulated broadly.

MR. GOGO: Mr. Speaker, to the Attorney General. Does the province charge a flat fee for casino licenses, or does it in effect take a percentage of the amounts bet?

MR. FOSTER: Mr. Speaker, as I understand it we have been charging a flat fee based on the number of games or tables at each casino. In our announcement this morning, we indicated we would be increasing that fee to \$10 per game, except for the period of the exhibition weeks when it will be \$25 per game. It's not based on gross or net take, however. If it were, it might provide additional substantial revenue to Her Majesty.

MR. GOGO: A further supplementary, Mr. Speaker. Has the hon. Attorney General considered that step in making it, in view of the trends, almost as profitable as our non-renewable resource revenue?

MR. FOSTER: Mr. Speaker, one of the difficulties of licensing gaming operations and of organizations becoming involved in gaming operations is that there is a tendency to develop a reliance on the income base these funds create. I would not want to see the Provincial Treasurer relying upon revenues from casinos to balance his budget.

Government House

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Housing and Public Works, and ask if the committee he set up to look after Government House has met. Secondly, what are the committee's responsibilities for the renovations now taking place at Government House?

MR. YURKO: Mr. Speaker, I think it would be appropriate if I explained the nature of the committee I use with respect to Government House. In relation to the interior design and plaster work in Government House, I met with my officials, who included the Deputy Minister; the project manager, who is also the chief architect; the assistant chief architect; and our consultant on interior decoration. I invited Mrs.

Lougheed to attend that meeting. There was a series of three meetings at which time we made a number of decisions in terms of resolving some of the differences of opinion with respect to the interior design of the lower floor. These decisions were in fact made. As a result, the need for this committee — if you wish to call it that — to exist disappeared. The committee was then disbanded. The work is going ahead appropriately.

There has always been an overview committee indicated to the Department of Government Services which was consulting with the Department of Housing and Public Works with respect to art selection. This overview committee was a committee of members of the department. This committee was charged with the final selection, if you wish, or the final payment for the art.

Now, it was in connection with this committee that I had solicited the assistance of Mrs. Lougheed to provide some guidance in the selection of the art. In doing that, I had indicated that it was appropriate to spend that budget in two parts, the first part being associated with the initial purchase of art, the other half being used to a large degree to purchase additional art designated by the foundation which was in fact created.

The second committee is going on until it finishes the final designation of the art that will be hung in Government House.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. I was really referring to the committee of which Dr. Rice and the Speaker are members.

The question again is: what responsibility does that group have with regard to the renovations and the ongoing operation of Government House?

MR. LOUGHEED: Mr. Speaker, if the hon. leader would refer to the legislation, I think it really has nothing to do with the renovations. It will only go into effect when the building and the renovations have been completed. The responsibility for the building is assigned by the Minister of Housing and Public Works to the Minister of Government Services also responsible for Culture.

AN HON. MEMBER: What timetable?

MR. LOUGHEED: Well, the projected opening date is August 1 of this year. Probably at that date the formal shift will be made from one department to another. The responsibility of the Government House Foundation will then occur.

MR. NOTLEY: Mr. Speaker, a question for clarification to the hon. Minister of Housing and Public Works. Were any expressed or implied commitments made to artists in Alberta for paintings in Government House which the department has not been able to honor?

MR. YURKO: Mr. Speaker, I think one ought to clarify the issue of commitments. A commitment is not a commitment until such time as money is available to purchase something. In the budget of the Department of Housing and Public Works, which will come up for review shortly, there is an amount of money relating to the purchase of art for Government House.

In the process being used for the selection of art and the discussion with the artists, as well as the designation of the art from the various galleries, I don't suppose that what was a budget was construed to be a commitment in some instances. However, in terms of establishing the rapport between the two departments, I should point out the documentation very specifically states that any purchases would be subject to final approval by the Department of Housing and Public Works. This is still the case.

MR. NOTLEY: Mr. Speaker, one further supplementary question for clarification. Were any offers made or undertakings given to artists for the purchase of paintings for Government House which will not be honored, because of budgetary considerations?

MR. YURKO: Mr. Speaker, I am not aware of any such items that might be construed to be in the form of commitments.

MR. CLARK: Mr. Speaker, one further supplementary question to the minister. Was the panel that was initially set up to make the selections in the area of some \$70,000 advised in their terms of reference that their decisions were in fact subject to the approval of the Department of Housing and Public Works?

MR. YURKO: Yes, Mr. Speaker, a memorandum was issued by the deputy of Housing and Public Works to the, I believe . . . [interjections] I can't remember the date — quite some time ago — indicating that the final approval of the budget, as is normal, is related to the approval of the budget for a specific department, and that budget is within the Department of Housing and Public Works.

Syncrude Hiring Practises (continued)

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Advanced Education and Manpower. It's a follow-up to the question I posed before, concerning the hiring of native people at Syncrude.

Mr. Speaker, my question to the hon. minister is: can the minister outline to the House the government's policy with respect to Native Outreach being the one co-ordinating employment agency to facilitate maximum native employment on the Syncrude site?

DR. HOHOL: There could be different views on this, Mr. Speaker. I know that Native Outreach is one of the significant agencies through which the native people have contact with the employer — in fact both employers, the management team and Syncrude itself — the provincial government, and the committee in northeastern Alberta made up of the companies, the federal government, and the provincial government through our manpower division. They are a significant source of counselling information. So are this government, the federal government, the Metis Association, and other groups. There is an understanding between Syncrude and Outreach, even some of it on paper, to the best of my recollection. While I would give it credit for doing a significant job, I would not say it is the one agency through

which natives get information, jobs, training, or upgrading.

Foothills Hospital — Kidney Transplant (continued)

MR. MINIELY: Mr. Speaker, the hon. Member for Bow Valley asked me today the current status of the Foothills Hospital's recruiting of a transplant surgeon to round out the kidney transplant team. Since the question my office has contacted the Foothills Hospital, and they indicate, as of today, the following: they have interviewed six transplant surgeons; they are in the process of in-depth evaluation of all the applicants; they have not yet made a final decision on a particular applicant.

ORDERS OF THE DAY

MR. SPEAKER: May the hon. Minister of Recreation, Parks and Wildlife revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF VISITORS** (reversion)

MR. ADAIR: Thank you, Mr. Speaker. It's my pleasure today to introduce to you, and through you to the members of this Assembly, 24 students and three instructors, Mrs. Shirley Fitzpatrick, Mr. Ron Folberg, and Mr. Baynash Basset, from the academic upgrading department of the Northwest Territories Adult Vocational Training Centre at Fort Smith. They are in Edmonton for a week, having a look at the various sights. I certainly think they will have an excellent opportunity with the weather that is afforded them. I would ask them now to rise and be recognized by this Assembly.

head: **GOVERNMENT BILLS AND ORDERS** (Second Reading)

Bill 1 **The Statutes Repeal Act, 1976**

MR. LOUGHEED: Mr. Speaker, I move second reading of Bill 1, The Statutes Repeal Act, 1976.

Quite obviously, the principle of this bill is the repeal of a large number of acts, set forth in the attached schedule, that in the view of the government are redundant or unnecessary at the present time.

It would be the intention of the government, through the house leader, to assign the various bills in the schedule to various ministers, who may answer from time to time, during the course of committee study, the reasons for the various repeals.

MR. R. SPEAKER: Mr. Speaker, in making one or two remarks on second reading of Bill No. 1, I'd like to say first of all that in reviewing the acts placed here, certainly not too many are operative at the present time or significant or having much effect on the general public of Alberta. It was very easy to repeal

the acts.

I was pleased, though, that in his remarks the Premier didn't give us one of his fine speeches on how this Conservative government is reducing legislation, reducing intervention, reducing bureaucracy, and so on, because I think that would have initiated a debate. Certainly I think we on this side would have had some foundation to show there really isn't any reduction in the size of government. It's a reduction in the size of the statutes. So I was pleased the Premier didn't take that approach in his remarks. I think he was being very honest in what he said in those few statements.

That's my first concern with regard to the act. I'm pleased to see this type of thing. I hope the government continues doing this, and certainly hope there are some acts of significance that possibly will reduce the civil servants in some areas. Maybe we could say that a couple of these here, for example, Bill 25, The Human Resources Development Authority Act, did reduce the size of government a few years ago.

As I wander around government, talking to a few of the civil servants and noting the responsibility of the Minister Without Portfolio responsible for native affairs, I note that a number of those people are still around government. They're still working and doing things, have similar objectives, and are still taking a pay cheque. We've noted in the last year or two that certainly the formal research council doesn't exist, but we do have private research contracts and we have the director of the Human Resources Research Council on contract. So he's still around government. It's the same type of thing. We really haven't changed things too much.

The Highway Traffic Act is another one. I believe it was an oversight by government. They didn't quite get rid of it when they replaced it with a new one.

All in all, the 42 acts really don't do that much in government. I did a little bit of statistical analysis on it, and found that over 24 of these 42 were acts prior to 1945. Thirty of the 42 were acts before 1950. They seem to have lost their usefulness just by old age. We've listed them here, so we've reduced the size of that green statute book. That's basically the purpose.

It's good, though, that the government has an intent to go in the direction they've got. From my point of view, as a more private citizen than when I was sitting in cabinet, and recognizing how government affects whatever industry or business you're in, I certainly hope the government continues so this act becomes larger from year to year, the size of government goes down, and the civil service is certainly reduced accordingly.

The last comment I would make is that we had a member in the last Legislature, the 17th Legislature, who introduced eight of the nine bills. My criticism to him was the very same. I said, why don't you do something with great effect. It's good to see that the government recognized the work of the hon. Member for Calgary Bow in the last House . . .

MR. CLARK: The former member.

MR. R. SPEAKER: . . . The former Member for Calgary Bow, and put some of his thoughts and ideas into legislation. Mr. Speaker, certainly I will support

this in second reading and encourage the government to continue.

MR. SPEAKER: May the hon. Premier conclude the debate?

HON. MEMBERS: Agreed.

MR. LOUGHEED: Mr. Speaker, to use the phrase that's used perhaps far too often in the Legislature, I hadn't intended making any concluding comments. But the hon. Member for Little Bow knew he would get a rise out of me if he referred to Bill 25 on the attached schedule, The Human Resources Development Authority Act. It's just possible, Mr. Speaker, that some of the newer members of the Legislature might not be aware of the import of that bill.

I would think that, because after they've read it I think they would come to the conclusion they would accelerate their enthusiasm for Bill No. 1.

Mr. Speaker, we've heard a great deal in this House about the question of the cabinet's role and the cabinet's responsibility and what the cabinet can do without in any way affecting the Legislative Assembly. I would like hon. members to know and just would like to read what The Human Resources Development Authority Act says. It sets up — set up, because we're now hopefully moving to past tense — that the authority shall consist of five members of the Executive Council. Then it goes on to say, despite what's been done in the Legislature:

Where any program or service related to the function of the Authority is authorized by any other Act, the Lieutenant Governor in Council may charge the chairman of the Authority with the administration of that program or service, notwithstanding anything contained in the authorized Act.

Now there's by-passing the Legislature in the extreme. Mr. Speaker, I close the debate.

[Motion carried; Bill 1 read a second time]

Bill 8

The Alberta Municipal Financing Corporation Amendment Act, 1976

MR. LEITCH: Mr. Speaker, I move second reading of Bill No. 8. The object of this bill is to increase the capacity of the Alberta Municipal Financing Corporation to borrow money from its current \$1.7 billion figure to \$1.9 billion in order that the Corporation will be able to meet its anticipated requests during the coming year.

MR. NOTLEY: Mr. Speaker, I certainly intend to support the principle of Bill No. 8. The only point I would make on second reading, Mr. Speaker, and perhaps ask the hon. Treasurer when he closes debate to bring us up to date on where the government stands with respect to Municipal Financing Corporation loans for municipally owned utilities. It's my understanding they do not come under the sheltered interest rate. For a number of our municipalities in the province that own their own gas system, power system, or what have you, it seems to me there is a pretty strong argument that they should be able to borrow from the Municipal Financing

Corporation at the sheltered interest rate which applies for normal borrowing. So I would ask the minister, when he concludes debate, to bring us up to date on where the government stands on that issue. It's been raised a number of times in the House.

Certainly in terms of the basic principle of this bill — simply making more money available — when one sees the requirements of municipalities today, it's obvious that additional funds are necessary, notwithstanding the strictures of the Minister of Municipal Affairs as they apply to rural M.D.s. However, I suspect borrowing through the Municipal Financing Corporation is a somewhat sounder proposition than many of the other short-term moves municipalities might have to make if the principle of this bill were not accepted and Bill 8 passed. I think the fact that more money will be made available for borrowing is important particularly at this time of growth in Alberta. I support the principle, but I would ask the minister to bring us up to date on where the government sits on this other issue of utilities.

MR. CLARK: Mr. Speaker, if I could just make three points in dealing with second reading of Bill No. 8, The Alberta Municipal Financing Corporation Amendment Act.

The first of three points would be simply this: I'd like to take this opportunity to say to the Provincial Treasurer that I plan to support the bill, despite what we're doing here, which is basically increasing the total lending the Alberta Municipal Financing Corporation can become involved in.

I would urge the government again, as we on this side have done several times, to look seriously at this question of revenue sharing with municipalities. I know we have a committee in Municipal Affairs that is nearly getting white with age looking at this whole question of revenue sharing and sharing of responsibilities with municipalities. The fact remains that this piece of legislation isn't going to help the financial plight of municipalities on an operating basis.

So I would urge the government to dust off and once again look seriously at the concept of revenue sharing. We believe there's a real advantage to moving with some dispatch in the direction of revenue sharing with municipalities. We are frankly enthusiastic about revenue sharing with municipalities, especially sharing income tax revenue.

The second point I'd like to make on second reading of this bill is to say that as of 1974 I believe, although it may be 1973, the last figures from across Canada indicate that our municipalities would have the highest per capita municipal debt in Canada. If that's not accurate, I'm sure the Provincial Treasurer will correct me. I raise it now because that's the position we find Alberta in, from figures we've been able to get from Statistics Canada, or their new organization, for 1973 or 74.

The third comment I'd like to make with regard to Bill 8 is simply this: I suppose the Provincial Treasurer will carry the major part of the responsibility, although it will be the cabinet in the end. But once the heritage savings fund legislation is approved, if the government doesn't make some changes in that area of investments, I would urge the government to look seriously at the prospect of some debt retirement or debt reorganization for municipalities.

Whether we use a portion of the heritage trust fund

or not, right now I'm appealing for a look at the situation. I'm certainly in no position to say on this occasion — although we hope to be before long — how such a program of debt reorganization might be carried out for municipalities. But it would seem to me to be one of the priorities we should certainly be looking at as far as municipalities are concerned.

As I see the Minister of Municipal Affairs sitting in his place, the last comment I'd like to make now or when we get into one of his pieces of legislation would be to find out what kind of increased interest the Alberta Municipal Financing Corporation is taking in approved lendings to municipalities, because of the comments made inside and outside the House by the minister and others about the plight some municipalities find themselves in. The minister has indicated the Alberta Municipal Financing Corporation is obviously the lending institution as far as the province is concerned. Does the government see the Alberta Municipal Financing Corporation playing an expanded role in this whole area?

The three comments on the bill are: we would like to urge the government to move as far as revenue sharing is concerned; look at this question of debt reorganization or debt retirement; and we would like to hear the Treasurer's comments with regard to the per capita debt situation of municipalities in Alberta as compared to other provinces in Canada.

MR. SPEAKER: May the hon. Provincial Treasurer close the debate if he wishes?

HON. MEMBERS: Agreed.

MR. LEITCH: Mr. Speaker, this bill attracted comments on second reading which I thought had a somewhat tenuous connection with the principle of the bill. None the less, I'll make some comments in response.

The suggestion is that there be a change in the rates of interest charged to municipalities with respect to borrowing to finance their utility operations. I can say we're not now contemplating any such change to the extent of providing a subsidy, as is done in the case of borrowing for general municipal needs. We did make some alterations in the rates recently — not so much alterations in the rates, but we altered the time frame of the loans to ensure that the borrowing from the Alberta Municipal Financing Corporation was at comparable rates to borrowing by municipalities outside the province or the nation.

Without debating the question of municipalities' financial needs, because I think it's inappropriate to do so on second reading of this bill, I'd simply say that in my judgment providing additional financial assistance to municipalities by giving them a subsidy in respect of borrowing to finance utilities would not be the correct way to achieve that objective. My reason for saying that is primarily that it would create a dislocation in utility rate charges. Some utilities are provided by municipal utilities, others are provided by utilities in the private sector. If you're going to subsidize the interest being paid by municipalities providing their own utilities, you get a dislocation of the cost of providing utilities to those municipalities where utilities are provided by the private sector.

With respect to the comments of the Leader of the Opposition about looking seriously at revenue shar-

ing, I think my response to possible changes in interest rate charges would be equally applicable. It hardly relates to the question of municipalities raising funds by borrowing from this corporation. I think there are other occasions when members on each side of the House will have the opportunity to debate the issue of revenue sharing.

With respect to the comments about the highest per capita municipal debt in Canada, I hesitate to either agree or disagree relying solely on my memory. That's the kind of thing I'd want to check before commenting, Mr. Speaker. But I would want to call to the attention of the House remarks I made in this year's Budget Address to the effect that our tax rates at the municipal level, insofar as we're able to compare them, appear to be either the lowest or among the lowest in Canada. Those two facts, Mr. Speaker, are very closely connected.

In addition to that, I rather suspect — but again this is something I'd want to check — that the very rapid growth we're experiencing in Alberta would have some bearing on the municipal debt, because it involves substantial borrowings to finance certain aspects of the infrastructure used to support that debt.

With respect to the comments of the Leader of the Opposition regarding the heritage fund, Mr. Speaker, again it seems to me there will be more appropriate opportunities to debate that question in the Assembly. I'd simply urge the support of Bill No. 8 on second reading.

[Motion carried; Bill 8 read a second time]

Bill 17

The Alberta Income Tax Amendment Act, 1976

MR. LEITCH: Mr. Speaker, I move second reading of Bill No. 17. The principle involved here can be stated very simply. The proposed amendment would carry out the intent of the legislation now in force in the province of Alberta, and was made necessary simply because of the federal government's recent change in its tax law to provide for a resource allowance.

Members of the Legislature will remember that at the time of the federal government's disallowance of royalty payments to the provincial government as a deduction in calculating income tax, we introduced and passed legislation which provided for a return to those affected resource industries of that portion of their income tax which comes to the provincial government as a result of the non-deductibility of royalties. That sum was reduced by the introduction of the resource allowance by the federal government. This proposed amendment simply alters our legislation to ensure that the rebate of the provincially imposed income tax is kept consistent with the former federal legislation.

[Motion carried; Bill 17 read a second time]

Bill 18

The Pension Statutes Amendment Act, 1976

MR. LEITCH: Mr. Speaker, I move second reading of Bill No. 18, which proposes amendments to three acts: The Local Authorities Pension Act, The Public

Service Management Pension Act, and The Public Service Pension Act.

There are five items of principle contained in the proposed bill to which I would like to refer. The first is those provisions which integrate our pension plans under those three pieces of legislation with the long-term disability insurance program recently introduced as a result of our agreement with the CSA. Briefly, the provisions of the disability insurance plan and the pension plan are these: if an employee sustains a disability that entitles him to payments under the long-term disability insurance plan, he no longer needs to make payments to the insurance plan, but retains his entitlement to insurance. If he continues to receive a disability payment until pensionable age, all the options are open to that person with respect to pensions that would be open to someone who had not suffered such a disability.

The second matter of principle dealt with in the bill is that as of July 1, 1976, married women would be required to participate in the pension plans in the same way as men are required to participate. Until now whether they contribute to or become part of the pension plan has been optional. This provision would be applicable only to women who were taken on as permanent employees subsequent to July 1, 1976.

In addition, Mr. Speaker, the proposed bill provides for the various pension boards to approve participation in the pension plans by part-time employees. What we have in mind there, Mr. Speaker, is providing pension opportunities to those part-time employees who are, in a sense, regular. They can work part-time from year to year. We're really not thinking of providing pension benefits for part-time employees of a short and non-repeating nature.

With respect to the management pension plan, we've added service in the merchant navy and service as a member of the federal House as pensionable service. This is to bring that plan into conformity with the public service pension plan.

Lastly, Mr. Speaker, we've provided that the interest rate with respect to contributions refunded to employees who leave the government service with less than five years' service and the interest rate applicable to employees who buy prior service may now be changed by the Executive Council rather than the board, as is the case under the current legislation.

There are a number of other amendments in the proposed bill, Mr. Speaker, but I would regard those five as matters of principle. The other amendments are primarily technical in nature.

MR. TAYLOR: Mr. Speaker, I'd like to say a word or two on the principle of Bill 18, particularly in regard to the fifth principle mentioned by the hon. Provincial Treasurer, the interest rate on contributions for those who leave the government service with less than five years' service. I'm going to refer to another pension bill passed by this Legislature in connection with teachers.

I don't know how many teachers who contributed to the teachers' pension plan have been told, you just can't get your money back; it now belongs to us. I think this is a very arbitrary action, apparently supported by legislation. It's not the action the government has taken, or set as an example in this legislation. When an employee leaves the government service, he can get his contributions back. While a

teacher is teaching, there are contributions by the school board and by that teacher. I don't think, if they stop teaching, the pension board should have the right to say, this is our money; you can't have it back.

I would appreciate having the comments of the hon. Provincial Treasurer in connection with this particular item. I don't particularly want to delay the second reading of this bill. But there are a number of ex-teachers in the province who feel very strongly that they've been dealt with in a high-handed manner, and just can't get to first base with the pension board dealing with teachers' pensions. In my view, that money does not belong to the pension board. It belongs to the teacher. When the teacher has no opportunity of collecting from that pension fund, surely he or she should at least get the contributions back, with interest also.

At one time we discussed the portability of pensions, where a teacher could carry that contribution into a government pension or some other pension. That didn't materialize. I think that would be an obvious solution for some, but certainly not for others. I just can't see why any organization, when it takes money from a person and then doesn't have to pay that pension because the person leaves that service, should keep that money and say, that money now belongs to us and you have no right to it.

MR. R. SPEAKER: Mr. Speaker, I'd also like to speak about the principle of interest and to ask for the Provincial Treasurer's point of view on the matter.

I've noted that historically, in repayment of pension benefits, it seems that the rate of interest often is much lower than, say, going rates of interest. I've always felt that a pension plan belongs to all of its members, and certainly the members themselves were losing because of that rate of interest. So the question I would like to raise with the Provincial Treasurer is the matter of how the cabinet will establish the rate of interest. Will it be established as we do in ADC or the AOC, where it's 1 per cent above prime? Will it be established just by basic judgment? Will it be established by a certain required rate of return to the pension plan? I'd like the Provincial Treasurer to comment on the criteria, if he would.

MR. SPEAKER: May the hon. Provincial Treasurer close the debate?

HON. MEMBERS: Agreed.

MR. LEITCH: Mr. Speaker, on the question of interest rate, it certainly is lower than the going rates of interest. I think it is 4 per cent at the present time, and of course the going rate would be a number of percentage points above that, no doubt more than double that. But the difficulty with the interest rate is simply this: a low interest rate works to the disadvantage of short-term employees, those who remain with the government less than five years, because on leaving the government they get back their contributions plus interest at 4 per cent. A higher interest rate would benefit them. Now I should say that they have a benefit if they're married or have children, even though they do not stay with the government for five years, because if they happen to die during that period their surviving spouse or, if no spouse, their surviving children receive not only that contribution

but also an equivalent contribution from the government, plus 4 per cent on those two contributions.

However, if you set a higher interest rate it operates to the disadvantage of the long-term government employee who wishes to buy prior service, because the same interest rate applies to both payments, which I think is an appropriate policy. The long-term employee who wishes to buy back prior service, such as service with other government bodies or any of the prior service we recognize under our pension plans, then pays the contribution he ought to have paid, or would have paid had he been a member of the plan, plus an interest factor compounded annually. So if we increase the interest rate, it will be an advantage to those who stay with the government less than five years, but it's going to be a disadvantage to those who have been with the government more than five years and want to add to their pensionable service and purchase prior service.

As to what criteria the cabinet would follow in setting the interest rate, that's not something we have formulated a policy on. We simply reviewed this. Frankly, it was the suggestion of the board that the capacity to establish interest rates be changed in the act and transferred from the board to the cabinet, on the basis that that was a decision of significant policy ramifications which ought to be made by elected members rather than appointed members. But in proposing the amendment, we do not have in mind at this moment any change, nor did the board at the time they made that suggestion, although we appreciate, as did the board, that with the changing rates of interest it is something that should be reviewed. We will be doing that.

With respect to the comments of the hon. Member for Drumheller on teachers' pensions, I find it a little difficult to respond in that this legislation does not deal with teachers' pensions. The administration of that legislation, any legislation that is applicable, is with another minister. I think it would be more appropriate if that minister responded.

[Motion carried; Bill 18 read a second time]

Bill 22 The Alberta Investment Fund Repeal Act

MR. LEITCH: Mr. Speaker, I move second reading of Bill 22, The Alberta Investment Fund Repeal Act.

Perhaps I ought to give a brief history of this legislation. It was passed in 1965 and provided for the sale of investment certificates to the residents of Alberta. The interest payment was guaranteed at 3.5 per cent annually. Approximately \$2 million of such certificates were sold and securities were purchased with those funds. As a result of changing market conditions, the investment certificates at 3.5 per cent were no longer attractive. In addition, as a result of those same market changes the investments made from the funds received from the sale of those certificates dropped in market value. Most of the certificates were redeemed.

Approximately \$10,000 of those certificates are now outstanding. There is also an outstanding overdraft with the treasury branch of, I believe, about \$200,000 which resulted from funds having to be borrowed in order to redeem the certificates. The

proposed bill would simply repeal the legislation, but provides for the government to honor the investment certificates in accordance with their terms if and when they are presented for redemption. It also provides that the government will assume the assets and liabilities of the fund. The only asset in the fund is a debenture of one of the oil companies of approximately \$50,000. The liabilities are of course the overdraft that I've referred to, and some additional funds that were supplied out of general revenue with respect to the advertising of the legislation and the fact that certificates were available for purchase.

In closing my opening comments, Mr. Speaker, I suppose I could say that the proposed bill will put an end to what history has indicated was not a particularly successful financial venture.

MR. CLARK: Mr. Speaker, just two comments on this bill. The Treasurer is likely being charitable when he says, not a tremendously successful financial venture. The points are well taken. I would simply say this, Mr. Treasurer: I would hope that as a result of this experience and some other experiences governments have got themselves involved in, the present government wouldn't go down the same garden path with any of the heritage fund investments.

MR. SPEAKER: May the hon. Provincial Treasurer conclude the debate?

HON. MEMBERS: Agreed.

MR. LEITCH: Mr. Speaker, there were lessons to be learned, and we think we learned them.

MR. CLARK: Time will tell.

[Motion carried; Bill 22 read a second time]

Bill 29
The Financial
Administration Amendment Act, 1976

MR. LEITCH: Mr. Speaker, I move second reading of Bill 29. The principle involved in this bill is to increase the Auditor's salary from its current level of \$43,500 per year to \$45,500 per year effective August 1, 1975.

There is also provision, Mr. Speaker, to authorize the Provincial Treasurer to hold securities he may have acquired which were not of the class that may have been acquired under other provisions of The Financial Administration Act. When we assumed the assets of certain pension funds in Calgary, under the local authorities pension legislation, we acquired certain assets we couldn't have acquired under The Financial Administration Act in the first instance. This amendment would simply enable us to continue to hold those assets until it appears appropriate to dispose of them.

The other amendments, particularly the one to Section 28(1), substituting the word "includes" for "means", is merely to ensure that the definition of securities is not restricted to the particular items set forth in that subsection. The word "includes" simply means that it includes those items listed there, but may also include other forms of securities.

The last proposed amendment, Mr. Speaker, is to Section 28(8), and merely enables persons or bodies who have money in the investment fund to take it out not only for purposes of expenditure but also for the purposes of investment or loan, should the bodies who have invested money in that fund wish to do that, which of course they could only do if the legislation permitted.

[Motion carried; Bill 29 read a second time]

Bill 9
The Libraries
Amendment Act, 1976

MR. STEWART: Mr. Speaker, I move second reading of Bill 9, The Libraries Amendment Act, 1976.

This bill will amend The Libraries Act and remove the sections that give the minister the wide range of powers to make grants to libraries. In its place, it will give the Lieutenant Governor in Council the authorization to make regulations about how the grants will be administered, the money that will be brought through legislation for this purpose. I think this will make it possible to have a more equitable distribution of library money throughout the province of Alberta than the present legislation provides.

At the present time, the cities of this province are getting as low as 3 cents per capita in library grant money. This amendment would authorize legislation and regulations that would provide additional money for this purpose.

MR. CLARK: Mr. Speaker, in taking part in second reading of Bill 9, might I say at the outset, with no reflection on the hon. Member for Wainwright, that I would hope the minister would take part in the debate; because the legislation, as I look at it and as the hon. member points out, makes it mandatory for the decision on funds and so on to be made by regulation, order in council, and so on.

But one can't just look at that. One also has to look at the situation that in the budget this year we have a money reduction for libraries. We have something like \$571,000 for libraries in the province. So we're really in a situation from here on where the regulations will be approved by the cabinet. I think that's a step in the right direction. But we're really going to be approving less money for libraries in the province this year than last year. It seems to me that the library situation in Alberta right now is of the nature that all of us as legislators might well hang our heads. If the figures I have received are accurate — and I'm sure all members of the Assembly received the very excellent brief from the Library Association — we're the lowest in Canada.

The minister bangs his desk when I say we're in a bad situation. That's indeed right. In addition to being in the bad financial situation of being the lowest in Canada, I think people in library organizations in Alberta had their hopes somewhat buoyed up in 1973, I believe it was, or '72, when the Downey report was commissioned. The Downey report has been sitting around since June 1974. We've done nothing with it. The report was entitled *The Right To Know*. It made some rather basic recommendations that would go some distance towards improving our

library system in this province.

Pretty candidly, I'm going to support the legislation. But I could be much more enthused about the legislation if there were some amendments that dealt with some of the recommendations of *The Right To Know*. I don't know what has taken the government so long on this matter. As I've indicated, it will be three years this June since the report was made available. Basically, we've moved no place on it. In fact, it's one of the few areas in the budget where there's a cutback this year.

I don't think a great number of members of this Assembly advocate willy-nilly additional spending. But I suspect a large proportion of the members were a bit shocked when they saw a cutback for expenditures to libraries across the province. Pretty candidly, I was rather shocked when I saw the legislation that came in, because there had been some advance billing on it. Really, it didn't deal with the basic recommendations at all.

If we're not going to deal with the recommendations, perhaps during second reading or committee, or in his estimates, the minister would give us some indication of what the government is going to do with this *Right to Know* report. Is it the government's intention to move on this thing? What recommendations does the government find reasonable? What recommendations is the government not prepared to buy? How much longer do we have to wait until we can expect some additional funding for libraries in the province?

I suppose everyone likes to pick out his own figures. I look at the money we're spending on Government House. The last figures I saw were something like \$1.7 million. When we're spending that much money on Government House, and we're spending about \$570,000 or \$600,000 a year on libraries, I think it says something about our priorities, about the government's priorities. I would think that most Albertans would place a higher priority on improved library services in this province than they would on improving Government House. [I have] nothing particular against Government House, but my constituents and, I'm sure, the constituents of most members in this House would get much more benefit from improved libraries than we're going to get out of the expenditure I referred to earlier for Government House.

I plan to have a great deal more to say about this matter when we get involved in the estimates. But I didn't want this opportunity to slip by, when the hon. member brings in Bill 9 for second reading, to say: yes, the legislation is a very timid, very small step in the right direction, but it doesn't deal with the two basic problems. The first basic problem is some money for libraries in the province, certainly not a cutback. The second basic problem is where the government is going as far as libraries are concerned.

If we've done the Downey report and it doesn't meet the minister's fancy, the government's fancy, they're not going to move in that direction, let's stand up and say so.

We've got a lot of people involved in voluntary libraries across this province. In my own constituency, I don't think we have one paid person, yet I believe we must have five libraries in the constituency. These volunteers come to you and say, you know, where are you people going as far as libraries

are concerned? That's one of the occasions when I'm rather quick to point out that I can't really assume the responsibility for what isn't happening here.

But I think that all members, regardless of where they sit in the House, have some obligation to respond to the presentation made by the library people. I think it's easy to send a letter saying, we got your brief and it's a good brief, and so on. But I would think that come this fall, if we don't have some clear indication of where we're going and some kind of commitment that there are going to be some more financial resources available so that libraries can at least get a larger portion of the provincial budget, we as members, regardless of where we might sit in this House, should bow our heads just a bit farther.

When the per capita assistance in the province of Newfoundland is something like \$3.97 per person and in Alberta this year it's going to be the great sum of 26 cents per person, you know, that's a pretty deplorable situation, regardless of what riding we might represent or where we might sit. When we compare [it] to the other prairie provinces, we don't rank very well at all.

Just to conclude my comments, Mr. Speaker, I think it's high time that a number of members in this Assembly, regardless of where they sit, served notice on the minister and the government and said, get on with the job. Tell these volunteers where you are going as far as libraries are concerned. If you want their input, let's respond to them, and let's move on it. If we're not going to do anything, let's at least tell them so they can put their best efforts in some other area. Candidly, I would hope that we would move in this area and that we would move rather quickly.

MR. ZANDER: Mr. Speaker, I would also rise and voice my concern about libraries and the availability of books in the rural areas of this province. I think that, as the Leader of the Opposition has pointed out, 26 cents per capita is certainly not sufficient at this time, looking at the availability of the library system in the rural areas of the province of Alberta.

As you well know, in the city of Edmonton and the larger centres there is access to a larger library, which is the library system of the city. I appreciate that the city probably has paid quite a bit more to manage the library system within its own boundaries. But I think we have to give equal time and equal recognition to the people who live in the smaller centres where library service is not available.

I'm speaking of some areas that I am quite familiar with, and the volunteer labor that goes along with [library service]. These people are not being paid. They're carrying on a job for which they do not want to get paid. But they're doing an admirable job as a community service.

When I look at the libraries in the smaller centres, and in particular in my constituency, I certainly will have to say that I have to hang my head in shame, for the simple reason that there isn't sufficient funding for the libraries in the rural areas.

I think the government will have to take the issue before it. The Downey report is down, it's true. I think some of the recommendations are excellent. I think we probably could have done without some of the other things we are doing. But certainly I think special attention must be given in the way of library service to the people, and in particular to the people

of rural Alberta where there is almost no library service.

When we go into second reading of the bill or clause by clause study or the estimates, I think some of us will have a little more to say, because I certainly am not happy with the expenditures we have when we only spend about 26 cents per capita on library service in the smaller centres of this province.

MR. MUSGREAVE: Mr. Speaker, I'd like to join in the debate. I, too, am concerned, and I said so when I spoke in the budget debate. However, Mr. Speaker, it's not quite as simple as the hon. Leader of the Opposition would have us believe.

One of the concerns I have, coming from a large city, is that the taxpayers in the city of Calgary are paying substantial sums of money for library service. I speak now of the library service in our school system. Regrettably, the library service in our school system is spending I would say almost double what is [spent] on our public library system, in relation to the use in the community. Whether the money comes from the province or from the city taxpayer, it's still money out of the taxpayer's pocket.

I, too, would appreciate the government's position on the Downey report. But again, Mr. Speaker, I have great concerns about that. I felt that if we implemented the entire report, we'd be adding a very large bureaucracy to one that, in my view, is already of a substantial size.

Again, going back to the Leader of the Opposition, I agree with his concern with regard to spending money on library services. But I think it's part of an overall realignment of financial responsibilities. After all, we have to put in perspective the fact that the Social Credit government did rule this province for 35 years, and it's not an easy task to realign the financial relationships between the province and the municipalities.

Earlier this afternoon he mentioned picking up debt costs as a suggested way of alleviating the concerns of the communities. But what about those communities that have no debt? What about those communities that exercised restraint and borrowed money only from the Alberta Municipal Financing Corporation, as compared to those who borrowed money at higher rates of interest on the American market? These are some of the problems facing those of us on the Provincial Municipal Finance Council. To suggest that an easy way out would be to take money from the heritage fund is not looking at the whole picture, in my view.

He mentions Government House. I go back to the days when the Lieutenant-Governor was held in pretty poor regard by the previous government. I think the money spent on Government House is a wise investment. It's a symbolic centre. I think we really should have spent the money on it long ago.

I agree with the hon. Leader of the Opposition that we certainly need more money in the library system. In fairness to the hon. minister, I think he's tried very hard to get more money for it.

Mr. Speaker, I'm also concerned about the quality of library service in the smaller centres. I think this is where the rural members are certainly going to be able to help us in trying to make more money available.

I do take one exception, Mr. Speaker, and that is to

those people who use these comparisons of so many cents in Newfoundland or so many dollars in Newfoundland, so many dollars in other provinces, but only a few cents in Alberta. Any one of us in this House can pick up statistics that will help us justify our position. I would suggest to the hon. members that when they're doing this kind of thing they present the whole financial picture, not just that part of it that happens to substantiate their position.

MR. NOTLEY: Mr. Speaker, in rising to take part in the debate on Bill 9, there are really three areas I would like to touch upon. First of all, with respect to the grants via regulations by order in council: as has already been mentioned by the member who introduced the bill, that probably represents an improvement. I'm sure hon. members will support that provision.

There are really two major concerns, both of which have been raised. But I would like to express my views on these concerns. First of all, the question of financing. Various members have talked about the plight of rural areas. I think there's no question about that. I want to come to that in a moment.

But if one looks at the statistics in the urban areas, both Edmonton and Calgary, the percentage of the Edmonton Public Library which is paid through funding by the provincial government, and the percentage to Calgary, is really remarkably low in contrast to other parts of the country. In the city of Calgary, .76 per cent is covered by a provincial grant; in Edmonton .62 per cent. Mr. Speaker, contrast that with St. John's, 91 per cent; Halifax, 31 per cent; St. Catherines, 20 per cent; and other cities with a substantially higher percentage than either Edmonton or Calgary. Mr. Speaker, in looking at this question I think it would be wrong to see deficiency of library services as a rural problem only. The funding of libraries is a matter of concern in the urban areas as well.

Turning directly to the rural question, there is little doubt that library service throughout most of rural Alberta is spasmodic, in some cases just not adequate, and in many cases non-existent. All one has to do is travel around the provinces and go into some of the small community libraries when they're open — and they're not open that much because one has to depend on voluntary librarians. We are indebted to the work of voluntary librarians. But one goes into these libraries and looks at the shelves and sees books that date back — *The Book of Knowledge*, 1923 or what have you. In other words, Mr. Speaker, the collection in many of our rural libraries especially is not exactly current, and that's an understatement. We have to move a long way to upgrade the quality of library services in rural Alberta. That will require funding.

The reason I mention the cities, however, is that I don't think we should see this as a rural/urban question. We need more money for libraries in cities as well as rural areas. We've got a bigger job in many of the rural areas because we don't have much of a library system to begin with. Certainly in the two major metropolitan centres there are very serious difficulties in financing the library system.

Mr. Speaker, the other point the Alberta Library Association has brought — in my judgment, very forcibly — to the attention of members through their

briefs and discussions they've had with hon. members is not just a question of lack of funding, but to what extent we're going to promote regional library services and to what extent we're going to have some sort of overall co-ordination agency. The Leader of the Opposition has already mentioned *The Right To Know*, the Downey report. It seems to me, Mr. Speaker, that at this stage of the game, especially as it relates to rural libraries, we need a much better regional system so that rural libraries in particular can have blocks of books on an updated continuous basis, so that a little library like Hines Creek, or Berwyn, Sundre, or wherever it may be, will have constant replenishing of current topical books. To do that effectively one has to have a well-organized regional library system backed up by an overall provincial co-ordinating body such as the ALINET proposal which is contained in the Downey report.

Mr. Speaker, the Alberta Library Association raised a number of questions relating to Bill No. 9. I'm sure the minister is well aware of the questions. Pretty obviously, the very first question is the one I'm sure we would all expect: at what level will the regulations under the act fix grant support? I suppose that really leads us back to where we began. By this legislation, one can improve the opportunity to provide grants. But at the same time, that has to be accompanied by a commitment in the budget to make the money available.

One of the hon. members suggested that comparing Alberta with other provinces is somehow not fair. Frankly, Mr. Speaker, I find that a little difficult to follow because the brief prepared by the Alberta Library Association makes it very clear that in the minds of librarians in this province, they are comparing how much we make available in Alberta to Newfoundland or New Brunswick or whatever the case may be. They are asking us the question, on what basis can we as legislators justify these disparities? I look at the 1975 grant statistics from other provinces and contrast them with the 1976-77 estimates in Alberta. As the Leader of the Opposition pointed out, Newfoundland is way ahead; New Brunswick, \$2.99 per capita; Alberta, 26 cents per capita; Saskatchewan, \$2.63 per capita; Alberta again, 26 cents per capita. Mr. Speaker, the other provinces, even some of the poorer provinces, are substantially ahead of us. I look at Quebec, for example: 62 cents per capita. More than twice as much is spent on libraries by that province. Nova Scotia, certainly a have-not province, spends \$1.92 per capita.

Mr. Speaker, there is more to any comprehensive library service in a province than money alone. But what I think the Alberta Library Association is saying to members at this time is that this is an area where extra funding is desperately needed if we are going to achieve a properly functioning library system that we can all be proud of, so that as members of the Legislature we don't have to go back to our own riding and literally hang our heads in shame when we go into the local library and see that we indeed still have a very long way to go.

Mr. Speaker, in general conclusion as we examine Bill 9, I certainly intend to vote for the bill. But as has been pointed out by a number of other members, the question of funding is paramount. Along with that question of funding, we have to know pretty clearly

what future steps this government contemplates in terms of building a library service in the province. Will the Downey report, *The Right To Know*, be the guidepost? What are we looking at in terms of time for the introduction of the recommendations contained in the Downey report? To what extent are we going to provide the monetary muscle in years ahead?

Mr. Speaker, I'm not here to belabor the point with the minister. I suspect the minister would be the happiest person in the province if we got more money for libraries. I'm sure he would be, knowing his record. I'm simply saying that I think members in the Legislature should be adding their voices to the voice of the minister to get these figures up to at least the level of the maritime provinces. On that basis, we're probably going to be able to begin to look forward to improving our library system. It isn't good enough to say, we haven't had a proper library system because of X former government. You could go back to the former Social Credit government, the UFA government, or if you like, the Liberal government. The fact of the matter is, we're talking about the here and now. This is the now government. We have a now problem in our libraries. I would welcome strong support for the minister as we set out together to get more money for libraries.

MR. DIACHUK: Mr. Speaker, I wish to make a few comments on Bill 9, particularly with regard to some of the concerns raised here by members of the Assembly in today's debate. In my experience as a member of the Edmonton Separate School Board and at one time on the executive of the Alberta School Trustees' Association, I have always wondered why libraries are not part of the school jurisdiction program in this province. While I support the amendment today, I urge that the government take a look at placing all library facilities together and co-ordinating them as one. I can't for the life of me understand why, in the towns the hon. Member for Spirit River-Fairview mentioned, these library facilities can't be incorporated in the existing public building, the school in that jurisdiction.

I accept the hon. member's comments that there's more to a comprehensive library service in this province than money. That is exactly it. Many of the schools are closed at 4 o'clock, the teachers are out, and nobody can make use of the books there. I urge the hon. minister under whose department these libraries are now to try to get them transferred to the Minister of Education and place them under the one educational institution in the province, the educational system that is in that locale, [so that] whether it be a small four-by-four one-classroom school or a large, comprehensive school such as we see in some of our districts, it still has a library.

Thank you, Mr. Speaker.

MR. HORSMAN: Mr. Speaker, I would like to add a couple of words to what has been said. First of all, may I say that I support the principle of this bill, which of course is to remove the ceiling on grants which was imposed in the previous legislation. It's not too often I find myself in substantial agreement with the Leader of the Opposition and the Member for Spirit River-Fairview at the same time, but I must say that in today's debate I find myself in substantial agreement.

However, may I say that I believe the appropriate time to discuss the question of funding for libraries will be during the estimates of the Minister of Culture.

As the president and several senior members of the executive of the Library Association of Alberta reside within my constituency, I've had an opportunity of meeting them and hearing their concerns. Despite what my colleague the Member for Calgary McKnight may say about statistics, it seems to me that it is very difficult to brush aside the statistics presented to members of this Legislature by the Alberta Library Association. No matter how you cut it or slice it, it seems to me, Mr. Speaker, that this province is at the bottom end of the scale.

I would like to have an opportunity to say more on this subject during the estimates. But let us not obscure the fact that this bill is to remove the ceiling and to allow more flexibility when funds are made available.

Certainly I am one member of this House who is in full support of the concept of funding the libraries which do exist in this province. I can't for the life of me see why we are in the position we are in in this province. Therefore I would like to add my voice to those who have expressed their concerns today with regard to the question of providing a first-class library service to the people of this province.

MR. GOGO: Mr. Speaker, I too would like to respond to the second reading of Bill 9, sponsored by the hon. Member for Wainwright, and direct my comments to the minister and indeed to other members of the Assembly.

It seems we're spending a great deal of time considering what should probably come in the estimates. However, since that precedent has been set, I certainly intend to follow through on it.

I disagree with the hon. Member for Medicine Hat-Redcliff, mainly on the assumption he agrees with other people. I don't think the whole story is out at all. I commiserate the minister. I've read statistics. I see where this year we're going to spend 27 cents per capita. But that's only part of the story, Mr. Speaker.

The city of Lethbridge this year spends \$490,000 on its library, of which \$25,000 comes from this government. One would think, when you talk about St. John's and Halifax, that this is a rather niggardly province in funding the libraries. However, I suggest that's not entirely true, because we have some unique situations in Alberta, and we must separate the operating from the capital.

I would simply point out that British Columbia spent \$.75 million on capital costs in libraries. They were the exception, because Manitoba, New Brunswick, Ontario, Nova Scotia, Prince Edward Island, and Quebec spent absolutely zero in capital assistance to the libraries, whereas Alberta did spend something.

However, we were talking about operations. I would suggest that part of that has to be considered when we look at the U of A here in Edmonton, which receives its money principally from the government. Last year it spent \$250,000 on its extension library, which is primarily for the use of the public, certainly 90 per cent. Now that figure is not included in anybody's talk here today, that somehow Albertans are benefiting to the extent of a quarter million

dollars, or roughly \$235,000, from the U of A extension library. No one has mentioned that.

No one has mentioned that the University of Lethbridge has a facility, and they lend out to the public; indeed the Lethbridge Community College. We seem to hark back to the fact that the operational costs of the libraries average 27 cents, and we hear about the rest of Canada.

I would like to point out that we in Alberta, in terms of the taxation on our property, spend considerably less, or the cost is considerably less, than in the rest of Canada. So one could make the case that the benefits in lower taxes in the community are partly offset by the increased contribution to the libraries of that city.

MR. CLARK: Pretty slender connection.

MR. GOGO: Well, it may be and it may not. Certainly, as the hon. Leader of the Opposition knows, I've spoken more than once about the inadequate funding of libraries in Alberta, but I don't think it's quite as bad as some members tend to think.

I think there is no question that the Downey report, *The Right To Know*, should be implemented almost in its entirety, and I happen to agree with the opposition in that situation. I don't think, however, the cards are on the table or the truth has been told with regard to the actual funding. In the final analysis it's the resident of Alberta who has access to the libraries, and I suggest they are practically second to none. You can go in the library in Lethbridge, Alberta, and learn one of twelve languages. Maybe that has nothing to do with the library, but there's a lot of money spent on those tapes. You can learn everything from Mozart to whoever in the Lethbridge library. When you start lumping in those costs with the capital costs of books to restock the shelves and replace the books, that cost of 27 cents or whatever it is per capita from this government is very well used.

I would simply wish to close by endorsing what I believe has been a very strong representation by the minister to the government to increase the contributions to the operating costs of libraries in Alberta, and I hope that next year he's more successful. However, Alberta can't lead in everything, and perhaps this is one exception where we're not quite leader of the pack.

Thanks, Mr. Speaker.

AN HON. MEMBER: Not quite.

MR. KING: Mr. Speaker, I hadn't intended to participate in this debate this afternoon. Notwithstanding the advice of the colleagues in front of me, to either side, and beyond me, I am going to participate now for just one brief moment to say that I cannot share the opinion of the hon. Member for Lethbridge that the ...

MR. JOHNSTON: Lethbridge West.

MR. KING: Lethbridge West. Thank you, Lethbridge East ... that the Downey report, *The Right To Know*, should have been implemented, as I understood him to say, quickly and without too much discernment on the part of the government. I for one have some serious reservations about the content of the report

and particularly its philosophical outlook. A number of specific proposals were made in the report that I believe have merit, and I think some of the specific proposals could have been implemented in isolation. But I would certainly differ from him in respect to implementation of the report as a whole. I think we have seen far too much evidence of the tendency toward centralization in this and other provinces. I think we should be particularly concerned about wanting to centralize just because we have the technology to centralize.

I think the question of whether we are going to increase centralization with respect to many of the activities of our life, particularly the dissemination of information and opinion, should be judged on far more than the mere question of whether we have the technological capability to centralize the decision-making process with respect to libraries in some high-rise office building in Edmonton.

Whether the opinion is shared by my colleagues, I think there is a philosophical foundation underlying the production of that report which must be questioned very, very seriously and carefully before we implement that report holus-bolus.

MR. TAYLOR: Mr. Speaker, I want to make a few comments on Bill No. 9 also. I'd like to say that if the people and the members are going to ask for increases in everything, we're certainly going to have to have some increased taxation and more inflation. While I would like to see some increase in library grants, it certainly isn't my top priority. If I had the doing of it, library grants wouldn't be at the top of the list. I would have liked to see the library grant hold its own and stay the same. I hope the hon. minister, either in this debate or in the estimates, will give us the reason it was slightly reduced. There's still over \$5 million going out for libraries in the province.

I find that the libraries in my constituency are very happy to receive the annual grant from the provincial government. This has been a real boost to the libraries in the constituency. When we compare our libraries with those in other provinces, I am doubtful if I have very much to offer. I have been in the libraries in Fredericton, St. John's, Halifax, Winnipeg, and Vancouver. I haven't seen a library that comes up to the Edmonton Public Library or the Calgary Public Library in any of those places. The Vancouver one does to a degree, but there are certainly deficiencies there that we have in this province. When I looked at the libraries in Fredericton, Halifax, and St. John's, I was amazed that many of them looked like the school libraries we have in some of our centralized libraries in this province. I would like to know how they figure out these grants of \$2 per capita. I'd like to know who's getting it and where that money is going in those provinces, because their libraries, in my view, don't begin to come up to the libraries we have in this province.

Having said that, I place reasonable priority on libraries even though probably half our population never goes to a public library. Maybe that's not a good reason for not wanting it increased tremendously. I think books should be available. When we want a certain book, we want it, and so on.

Since this bill now puts the meat of the act into regulations which will be passed by the Lieutenant Governor in Council, and removes the ceiling, it

seems to me the first thing the government is preparing for is to provide more money for libraries. Otherwise, why remove the ceiling? It seems a logical first step. But the meat of the act from now on will be by regulations. Consequently, it's difficult to discuss the bill without knowing just what those regulations are.

I'm like the hon. member who just spoke. I don't fall over and bow to the Downey report. There are a lot of things in it with which I don't agree, and with which the people of rural Alberta don't agree. I think a lot of input could have been given to that report concerning people in the out-of-the-way places, not just Calgary, Edmonton, Lethbridge, Medicine Hat, and Grande Prairie, the larger places, important as they might be. I've been in the library in Lethbridge and I found it adequate for everything I wanted — completely adequate.

There are three or four items I would like to mention, since the meat of the act is now going to be in regulations. Number one, I hope the regulations would leave the selection of books in the hands of the local libraries. I would point out that the library in the city of Drumheller isn't as extensive as the public library in Edmonton, but it's a good library and used extensively by the people of the area and of the rural area. But when the librarian gets the government grant every year, it's her responsibility to work out the books at the price they are in order to supplement the books asked for during the year but which we didn't have, or to bring the rest of the library up to a modern state. I think that's important — the local selection of books should be left as a very, very tangible part of the new regulations.

When we're talking about the amount of money for libraries, I would like to deal with this matter of duplication. Today we have a great deal of duplication in the libraries in this province. As a matter of fact, right in the city of Edmonton there's a lot of duplication among the university library, the provincial library, and the public library. You can go in one and row after row of identical books are in both the other libraries. If we're going to do this, I would like to see the major items in the main library and a revolving or travelling section of books in the other libraries in the city. I believe that's what's done in Calgary. The major reference books are found in one library. The other libraries don't have those major reference books. I don't think it's out of the way to say to people that all the major references on highway building, on gasification of coal, on extracting oil from sands, et cetera should be in one place and not duplicated in every library. I think that makes sense. I hope the new regulations will endeavor to have libraries work out the items in which they will specialize, and avoid duplication. I really think we have a great deal of duplication today.

Again, I don't think any government in Canada is quite as fair in permitting the building-up of libraries in various departments dealing with the particular items in that department. I don't think this is bad. I think it saves a tremendous amount of time for the Department of Transportation to have a library of the books that definitely concern that particular science, or for the Attorney General's Department to have a library of its own on the statutes of the various provinces. In my view that isn't duplication; that makes good sense, because they're being used

extensively in that area. But the duplication I'm talking about is having almost identical books within blocks. I really don't see any reason for that.

The next point I'd like to deal with is the matter of travelling libraries and the revolving exchange of books. The Red Deer Valley School Division in Drumheller has an excellent library. Every school in that division has an exchange of books as often as the teacher wants it. Periodically, 40, 50, or 100 books are sent back and 40, 50, or 100 books are sent to the school. So there's a constant movement of books. In my mind, that makes real good sense. The Drumheller Public Library does not duplicate the books found in the school library. That again makes good sense. I think that is something that can be done province-wide to good advantage, so that we can get greater value for every dollar spent on our libraries. Revolving exchange of books and travelling libraries are very excellent.

To a degree I believe in regional libraries where there can be similar exchange, but I don't think we should try to duplicate everything found in the school libraries today. I would like to see the school libraries made a little more open, so that more than just the students have the advantage of that revolving movement of those books. I can't see any reason why that can't be done. At one time our schools looked upon their gymnasiums as sacred grounds, and nobody could put a foot into the gymnasium after 4 o'clock. That's no longer the case. Because of a change of thinking over the past several years, our gymnasiums are now being used extensively Saturdays, Sundays, and evenings. That's the way it should be. A lot of money is spent on those gyms, and so with school libraries. So I would like to see a very definite liaison between school libraries and public libraries in order to make the best use of the library dollar.

There's one other point I would like to mention, since the meat of the act is now going to be by regulation, and that is that there should be an escalating grant. The need is far greater in some places than in others. I would lean to the higher grant for libraries in places where there's volunteer service, providing that library is kept open a reasonable amount of time to serve the needs of the people of that area. I would think that that type of library should receive some special consideration in the number of books it's able to purchase, so that it can increase the reading potential. I'm thinking of the Rockyford library in my own constituency, which was happy to receive a provincial grant. The library is not open full time — it's done by volunteer service — but it's open in accordance with the thinking of the people in the area. Everybody knows the hours it is open, and it would be a waste of public money to have that library open for eight or 10 hours a day.

If somebody is prepared to give his time to keep it open two hours a day or 10 hours a week or something like that, it would certainly increase the readability and the potential of the material they're able to get if they could get slightly higher grants. I would think the grants could escalate on some type of table. Where there is a tremendous library like that in Edmonton, maybe there isn't the need to make that grant the same amount per capita as in a smaller area. Certainly they have a much wider potential and they have different types of books, but again there are

a number of sources for that type of technology. If we had the reference books on technology and the various sciences in one part of Edmonton, everyone would soon get to know that and it wouldn't be necessary.

I like the idea that the provincial library uses. If I ask for a book they haven't got, they say, we don't keep that but the university library has it. Within hours the book is there, and you can have it for an hour, a day, or whatever time you've asked for. That makes good sense. It's not necessary for the provincial library to carry every book on every subject. There should be that liaison between various libraries in Edmonton. I think if we did more of that, followed the example of our provincial library, we could get better value for the money we're spending on libraries.

I'm glad to see the ceiling raised on the per capita grants to libraries. I hope the new regulations will give some thought to a type of escalating grant, at least to some degree, in an effort to make sure we get full value for every dollar spent. I think that's one of the things many people are looking at today: are we getting value out of this provincial money, or could it be better spent in some other way? As long as we're not duplicating, and as long as we're making available the books people of that area want, I think we're providing a very excellent service, and the dollar spent there will give full value.

MR. SCHMID: Mr. Speaker, before I reply to a few of the questions raised, I wonder if it would be permissible to revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF VISITORS** (reversion)

MR. SCHMID: Mr. Speaker, we have behind us in the public gallery visitors from the Federal Republic of Germany, from the Rheinische Braunkohlenwerke; also the president of The Uranerz Mining and Exploration Company, who happens to live in Bonn, Germany.

As you probably know, the mission, as the Premier has mentioned on several occasions, was most successful. One of the places we visited was the reclamation area of the Rheinische Braunkohlenwerke near Cologne. It was a revelation to all of us, I think, the excellent job that was being done there, and the possibilities which we may have in the province of Alberta to reclaim some of the land which already has been mined, and hopefully, of course, especially the land which is planned to be mined and/or reclaimed in the oil sands area.

I see up there Dr. Nottmeyer, Dr. Kausch, and Mr. Peretti, accompanied by Mr. Theissen from the Department of the Environment. May I ask the gentlemen to rise and be recognized by this Assembly.

head: **GOVERNMENT BILLS AND ORDERS**
(Second Reading)

Bill 9
The Libraries Amendment Act, 1976
(continued)

MR. SCHMID: Mr. Speaker, it is a red-letter day not only because we have such distinguished visitors who will be travelling for a week in this province, studying the problems which may arise out of the mining of the oil sands in the Fort McMurray area, as well as different locations of our coal deposits in the province, but because it is the first time in the five years I have had the privilege of being a member of this Assembly that the hon. Leader of the Opposition has spoken in support of a cultural development program.

MR. CLARK: Horst, we'll get to your estimates in due course, and you prove us wrong again.

MR. SCHMID: All I can say is this, Mr. Speaker: when I say the first time he has spoken in support of a cultural development program, I'm referring in this case especially to something like the libraries, which I am not aware he has spoken in support of since I have been a member of this Assembly.

Mr. Speaker, the hon. member has said that the Downey report has been in our possession since June 1974. I can only say this: I appreciate the tremendous amount of work which has gone into this report, and in being submitted to the government one can well imagine that it does take some time for different government departments, and to have the input from the librarians of the province to determine whether or not they are in agreement with what this report has to say. We have had hearings in the province, Mr. Speaker. We are now evaluating what has come to us. If we instituted the total recommendations of the Downey report, which in fact not even the Library Association of Alberta has asked us to do immediately, it would cost approximately \$10 million in the first year alone.

Last Saturday I had the privilege of attending the convention of the Library Association of Alberta at Lake Louise. It was mentioned that probably it was something like Daniel walking into the lions' den, because you can well imagine the serious concern all the librarians have regarding support of our libraries. All I can say is this, Mr. Speaker: I am afraid that in the priorities of this government — the overall cut of the budget, which we probably will discuss later on, being about 14 per cent — it was not impossible to list the libraries of this province in the priorities which the government felt had to be looked after, such as law reform, rent, housing, and of course, hopefully, still our handicapped and our senior citizens.

Advanced Education, Education, and Alberta Culture are presently studying the report, trying to determine what of the report could be implemented without having to add excessive costs, without maybe centralizing, as the hon. Member for Edmonton Highlands mentioned, too much of the program into one area. All these things, hopefully, will come out as soon as possible. I have to repeat that the cost of \$10 million was just too much.

The hon. Member for Drayton Valley mentioned volunteers and their contribution to the library service in Alberta, which has always been appreciated by every single resident of this province. I think one of the basic foundations of any democratic society is the volunteers who, in this case again, help in the library, not only in the distribution of books, but to keep the library buildings intact and maintained, and then, of course, even to keep the books bound the way they are supposed to be, because moneys for things like this are just not available as much as some people would like.

The preservation, Mr. Speaker, of our heritage, be it Government House or be it the written word, or for that matter any historic or archaeological site or building, should be taken in a combined context. The preservation of a historic site such as Government House is just as important — and I'm saying just as important — as the provision of library service to Albertans. Even to compare them would not be quite correct. Both are important if we are looking to a future which preserves what our ancestors, the pioneers, provided for in this rich province in which we are privileged to live, and to provide in writing, in novels, in all other things recorded in books, the kind of information for future generations who continue to seek not only economic betterment but also a spiritual and scientific one.

Mr. Speaker, I may be disproven by the hon. Member for Spirit River-Fairview, I appreciate his comments, but at least as long as I have been sitting in the House — I have to read *Hansard* probably — but I have to say it could be another red-letter day in the hon. member's having spoken in support of the library service in the province of Alberta. Again, I appreciate his concern. I can only assure him that, as he mentioned, if the *Book of Knowledge* stems from 1923, what more can I say? For 36 years the Social Credit government was in there, so it would add to it to 1959 and we still have another 10 years to go, in fact 12 years to go, to arrive at 1971 to redo what was not done for 36 years under the former government.

I should also mention, of course, Mr. Speaker, and someday I would like to get the information, because I'm still not quite aware why the former government restricted the provisions for library grants and recreation facilities in the cities to a much lower amount than the rural areas were able to get. I'm not saying, Mr. Speaker, that the amount spent for rural areas should have been restricted, not at all. But at least the people in the city, I think, should have equal right, should have equal opportunity, to have as much available; in fact sometimes more, because they haven't got the opportunity to enjoy the freedom of country life, which is sometimes so very stimulating in general to the quality of life in this province.

Mr. Speaker, as has been mentioned, I have asked the Library Trustees' Association of Alberta and the Library Association of Alberta to submit recommendations to me as to what they would like to see in the regulations, which are of course being passed subsequent to the Lieutenant-Governor approving Bill No. 9.

I would say both the hon. Member for Medicine Hat and the hon. Member for Calgary McKnight have been strong supporters of increased funding for libraries in the province of Alberta. Of course, we

have maybe lost out in that because of additional priorities that this government happened to have.

I think the hon. Member for Lethbridge West made a very good point in mentioning the university extension service which happens to be available. Not too many people in Alberta are aware that they can get in touch with the university extension service and get just about any book they would wish.

We all know that the hon. Member for Drumheller is in close touch with the pulse of his constituency. His comments therefore are especially appreciated. The selection of books, hopefully, will always remain within the district in which the books are being read, because after all it would be just about useless to order books from the city of Edmonton if they are being read in Drumheller.

As has been mentioned by several other members, we would endeavor to have the kind of books which are not everyday reading available through an extension service someday soon; because, as the report well states, the right to know is inherent in our type of lifestyle and should therefore at all times be recognized and respected.

Mr. Speaker, as the Member for Drumheller mentioned, Bill No. 9 does remove the ceiling. As I mentioned myself, regulations will of course be prepared as soon as possible. It may be of interest to the members that the cost of books alone has increased about 35 per cent within the last year, I understand. Therefore some of the libraries are really hard pressed for additional funds to keep up the kind of service they would like to have.

I think the hon. Leader of the Opposition might be interested in the fact that while there is a reduction of about 2 per cent in the budget, that was because there were two special grants given to the regional libraries to help them out of the red. Hopefully this would not recur next year. That's where the reduction of 2 per cent really comes in.

Mr. Speaker, during my presence at the convention of the Library Association of Alberta, we had some exhibitions of books and also one of the modern kind of media, a computer service with terminals. I was rather amazed by the number of programs which could be typed into that terminal, which is not bigger than a small hand-carried typewriter. Just about any information a person wishes is being typed out with a speed far in excess of an ordinary typewriter. Again I think many libraries in the province of Alberta would be delighted to be able to afford such a program.

All in all, Mr. Speaker, I sincerely appreciate the comments made by all the hon. members in this Assembly in support of Bill No. 9. I especially would like to commend the outstanding contribution and service that the volunteers in the library system of Alberta are giving daily. I would like to also mention the Library Association of Alberta and the Alberta Library Trustees' Association for their concern regarding financial as well as moral support, in their endeavor to have the people of Alberta able to read the books to have the right to know all the things that they find important in their lives.

MR. R. SPEAKER: Mr. Speaker, with regard to this bill I'd like to add my remarks in support of larger funds for our libraries. I can recall going to a rural school and having five or six books on the shelf — that's quite a number of years ago. I can recall, also,

as a student in Grade 6, when a program of matching grants was initiated by the province of Alberta. A local community could raise a dollar and the government would put a dollar in contribution towards those books. Since then, this particular library I'm referring to has increased its volumes of books tremendously. Many young people, many people in that little rural community, have benefited. Today people are reading who just didn't bother to read because no material was available. I think we should urge the government to recognize that. Maybe through this bill there is some recognition, but there has to be support in dollars.

The other point I wanted to make in standing up was with regard to the question of priorities, and how we establish priorities. I certainly hope that government establishes priorities across the board, not only in departments. The minister made a reference that Government House and libraries should not be taken in the same context. Well, I don't know how you can isolate one from the other, or one government program from the other, in establishing priorities. If that is true, I think there's something wrong with the administration of the government. There's certainly a lack of understanding and co-ordination and communication between members of the cabinet. So I think that statement should be reassessed. I hope it wasn't indicative of the overall government attitude on setting priorities.

If you compare those two items, the number of people who will utilize Government House and the number of people who could benefit from moneys to libraries, there's just no question which has the priority.

That's one frame of reference. But if we established another frame of reference, of looking at things which seem important to the minister or to one or two specific individuals, then it becomes Government House. I'd like to check the government off on that particular frame of reference. If that is how they set priorities — which sometimes I feel they do — if it's personal interest over the interest of people as a whole, we're going to get these kinds of priorities. I think the minister had better assess that type of thing when he is setting priorities. I certainly can't buy the type of statement that was made. Maybe we should examine the government even a little more closely on this sort of frame of reference, Mr. Speaker, when we're dealing with the people of Alberta.

MR. STEWART: Mr. Speaker, I've listened quite attentively for the last hour as people wandered farther and farther away from the context of this amendment . . .

AN HON. MEMBER: You sure started something.

MR. STEWART: . . . and felt that I didn't realize what a big issue this amendment would be. But I have to take the privilege of having the same opportunity to discuss this in conclusion.

In reference to Government House, I would like to remind hon. members that the decision to rebuild, restore, and replace a lot of the things the former government neglected didn't begin in a year of restraint, and is only the completion of a project that was started much sooner.

I feel this amendment to our libraries act is the first

step in establishing a better set of ground rules so that our library system in Alberta can be funded, when the decision is made, in a more equitable manner.

As rural Alberta has been discussed quite often and I'm more familiar with that than I am with the urban, I can remember that when I went to school it was quite a day among the few kids in our school when the new library box came along. We sorted through it and each found our pet subject. For a week or two we had something to read. Then it soon ran dry, or else it was subjects we weren't interested in. But on a little larger scale than that, I'm quite sure the smaller communities in our province can still benefit from the same principle.

As the hon. Member for Edmonton Beverly mentioned, I think our school libraries in rural Alberta could be a real asset if they were available to the public. Certainly something could be thought of to develop libraries in some of our more remote areas where it isn't practical to have them in any other way.

I'm pleased that all members recognize the value of libraries. I've made reading one of my favorite forms of relaxation all my life. I've had the opportunity to advance my own knowledge because that happened to be the type of reading I preferred. With the undoubted enthusiasm all members show for the library system, we will possibly be able to see a greater and better grant for our library system in the next budget or two.

Certainly most of the members who expressed themselves voiced a lot of the things I would have liked to have said myself. Time being of the essence, I will conclude.

MR. SPEAKER: I express some regret to the hon. member with regard to the wide-ranging character of the debate. But it did seem that, even applying the rule of relevance to a reasonable extent, a bill which provided for the removal of ceilings on library spending might properly be a vehicle for debate on library spending generally. I regret that that was unexpected by the hon. member.

[Motion carried; Bill 9 read a second time]

Bill 26

The Department of Consumer and Corporate Affairs Amendment Act, 1976

MR. JAMISON: Mr. Speaker, I move second reading of Bill 26, The Department of Consumer and Corporate Affairs Amendment Act, 1976.

Mr. Speaker, Section 5 of The Consumer Affairs Act is now incorporated into The Consumer and Corporate Affairs Act, 1976. This section deals with investigation and examination. The remainder of The Consumer Affairs Act will be repealed on proclamation.

Section 6 in The Consumer Affairs Act is not in the bill, Mr. Speaker. This section deals with the annual report. The report is now incorporated in the annual report of the department. The latter is required by The Legislative Assembly Act.

[Motion carried; Bill 26 read a second time]

Bill 30

The Department of Education Amendment Act, 1976

MR. KOZIAK: Bill 30 deals primarily with two matters. It provides for the making of grants under The Department of Education Act. The section which is incorporated in the amendment to the act will provide for the same standard provisions as are found in other departmental acts.

Secondly, it defines with greater clarity the meaning of the private school and permits the classification of private schools. As hon. members are well aware, there's more than one classification of private school. There's the private school that provides services for handicapped children, such as the Winnifred Stewart School, the Evelyn Unger School, and so on. On the other hand, there are the private schools which provide services to children because their parents desire a special type of education for those children, such as the schools operated by the Christian Reformed organization and others like that.

I think that probably covers it. If there are any questions that develop during the course of contribution to debate by other members of the Assembly, I'd be pleased to handle them.

MR. CLARK: Mr. Speaker, I'd like to ask one very brief question of the minister. What effect will Section 8 have on private schools? I'm thinking of private schools like the ones operated by the Dutch Reform people and other private schools in the province. Specifically, how will this change their situation?

Secondly, were there discussions with the association of private schools — perhaps they've changed the name of the organization — before this legislation was introduced?

MR. KOZIAK: With respect to the private schools, I don't foresee a substantial effect on them, except it's important to realize that with the different classifications of private schools it will now be permissible to provide separate regulations for each classification of school. So you have a separate group of regulations that might apply to the private school such as the Edmonton Winnifred Stewart School type, and then others that would apply in the area of those operated by the Christian Reformed. The reason for this is perhaps clearer when one understands what we've done in the area of the private school that provides special services for handicapped children, relative to the level of grants that are provided now. Inasmuch as these grants are nearing the funding provided to the public and separate school systems for similar classes in the province, a regulation-making authority is necessary so the department can follow up on the level of services provided and matters of that nature. On the matter of consultation with the organization that represents private schools in this province, I haven't personally contacted them with regard to this amendment. However, the bill was introduced very early in the session. I have not received any correspondence objecting in any way to the amendments.

[Motion carried; Bill 30 read a second time]

Bill 32
The Department of Advanced Education
and Manpower Amendment Act, 1976

DR. HOHOL: Mr. Speaker, I move second reading of Bill 32, The Department of Advanced Education and Manpower Amendment Act, 1976. In brief summary, the purpose of the amendment is to provide legal status for two new features, Lakeland College and Keyano College. The present legislation doesn't cover them. This is important.

Secondly, one of the general clauses in all department statutes was omitted in the first Department of Advanced Education and Manpower Act, that clause being the one permitting and authorizing the minister to delegate certain responsibilities to officials in the department. One other specific change has to do with authorization of the department to deal with education outside of institutions; very specifically, further education.

SOME HON. MEMBERS: Question.

MR. CLARK: Before the question, perhaps I might ask the minister in concluding the debate: Mr. Minister, dealing with the last points you make in that area of adult education, when might we expect the regulations for grants to our provincial institutions involved in continuing our lifelong education? Last time I heard, I believe they were on about the eleventh draft. How are we coming? How close are we getting to the one that's going to count?

DR. HOHOL: Mr. Speaker, there is probably some virtue in the number of trials, historically and biblically and currently. I think yes, we're on the twelfth. I think that will be the final draft. I'd have to check my files to be accurate and to be honest about a particular date. I will take that as instruction to get the gears in motion and to speed it up, consistent with good regulation, Mr. Speaker.

[Motion carried; Bill 32 read a second time]

Bill 33
The Civil Service Association
of Alberta Repeal Act

MR. YOUNG: Mr. Speaker, primarily this bill does one thing. It introduces the opportunity for what we now know as the Civil Service Association of Alberta to have control of its own by-laws and constitution — which I understand to be quite important to that association — by means of organization under The Societies Act of Alberta. In other words, it endeavors to provide a vehicle which is considered by most and was recommended by the task force on provincial public service labor relations to be more appropriate to the times than The Civil Service Association Act as we have it today.

I should say, Mr. Speaker, that it does not alter The Public Service Act or The Crown Agencies Employee Relations Act. In that respect, there is no change in bargaining rights. It assumes the responsibilities as signator to collective agreements and in every other respect that the Civil Service Association now has.

Under this act, the Alberta Union of Public Employ-

ees will be the only body that can bargain for public employees, by virtue of the two pre-existing acts which I've mentioned. However, one additional power will accrue to the Alberta Union of Public Employees. It may organize employees other than employees of the Government of Alberta.

[Motion carried; Bill 33 read a second time]

MR. FOSTER: Mr. Speaker, by way of House business tonight, it's our intention that we should return to Committee of Supply to deal with the estimates of the Department of Hospitals and Medical Care.

MR. SPEAKER: Do the hon. members agree that when they reassemble at 8 o'clock they will be in Committee of Supply?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until the Committee of Supply rises and reports.

[The House adjourned at 5:28 p.m.]

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

head: **GOVERNMENT MOTIONS**
(Committee of Supply)

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will come to order.

Department of
Hospitals and Medical Care

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. MINIELY: Mr. Chairman, I would like very briefly to make some general remarks on the current year's budget. Basically, I spoke in the Legislature earlier about longer term policy and policy development. Tonight I would like to address myself specifically to the current budget.

I indicated — excuse me, Mr. Chairman, I was running and I'm still a little out of breath. Dr. Walker tells me I shouldn't do that.

AN HON. MEMBER: You can't have anything happen to the hospitals.

MR. MINIELY: Maybe I'll need some of the services.

AN HON. MEMBER: Don't get sick.

AN HON. MEMBER: Will there be a bed?

MR. MINIELY: We hope so.

Mr. Chairman, first of all I would like to talk about the history of arriving at our budget for the current year. It was not an all of a sudden process. Basically, last summer we commenced meeting with hospital boards. We indicated the need for restraint. It was

no secret in Alberta or Canada that with the experience we had over the four years from not just '71, but in fact 1968 to 1975, when the budget more than doubled and almost tripled in the period of five to six years, we had to slow down the rate of annual escalation in hospital and health care costs.

So I travelled around the province, met with individual hospital boards, had considerable meetings with the Alberta Hospital Association talking about how we could bring this high cost-escalation under control. Basically, Mr. Chairman and members of the Legislature, the Alberta Hospital Association felt there was a need and supported very strongly the government's 11 per cent expenditure guideline as it would apply to hospitals and to provincial policy generally.

Mr. Chairman, I'd like to refer to a letter to the Premier on October 29, 1975, from the then president of the Alberta Hospital Association, Mr. Pat French, wherein they indicate their response to the government's guidelines:

In a meeting of the Alberta Association of Municipal Districts and Counties, the Alberta Urban Municipalities Association, The Alberta School Trustees' Association, and the Alberta Hospital Association, one of the subjects discussed was the policy announcement of the government establishing a limitation of 11 per cent in the growth of expenditures for the public sector in the next year. While all the associations agreed unanimously with the principle of the announcement and with the need to exercise budgetary restraint, it was recognized that its implementation will create problems in certain areas for the members of all the bodies represented. The Hospital Association would like to indicate to you that there has been excellent prior communication and consultation with the minister and the government on the subject of guidelines and general restraint in respect to the operation of hospitals.

Mr. Chairman, for the interest of hon. members I could table this for their information.

So, Mr. Chairman, it was not a policy arrived at solely by the province. It was a policy arrived at in full consultation with the Alberta Hospital Association, the body that represents all hospitals in Alberta.

You don't feel sorry for me, Mr. Chairman, as I'm perspiring? I should know better than to run that hard prior to speaking, shouldn't I?

Further, I think it's important to put in context how we arrived at the budget, and Alberta's position relative to Canada generally and to other provinces in Canada. I don't think it's any secret: citizens in Alberta and in Canada generally are aware that Alberta has, or has at least equal to, the highest quality and capacity health care system of any province in Canada. In the current year, some provinces are in fact reducing budgets or giving only small increases.

Mr. Chairman, for the information of hon. members, I'd just like to review how some of the provincial budgets this year apply to the hospital field. Newfoundland has not yet determined its policy. Prince Edward Island is attempting to maintain a budgetary increase of 16 per cent, to reduce energy costs in hospitals, and no staff increases. Mr. Chairman, that's a province with 2.5 beds per 1,000 less than

Alberta. Also, the 16 per cent referred to is largely related to much lower salaries in the hospital system than in Alberta.

In Nova Scotia, staffing is to be frozen at December 31, 1975, levels. Positions approved but not filled are going to be reconsidered. Equipment, furniture, and vehicle purchases are to be deferred for one year.

New Brunswick is attempting to limit hospital budgets to 15 per cent by closure of 329 beds, including three hospitals fully and one 156-bed wing. Mr. Chairman, New Brunswick is a province which has nearly three beds per 1,000 less than Alberta.

Quebec has no budget increase whatsoever for the first three months, and a 0.7 per cent increase for the remainder of the year. Service cutbacks are considered inevitable. It is estimated that \$50 million will have to be cut — cut, not increased — in the nursing care area. The province of Quebec has three beds per 1,000 less than Alberta.

Ontario has been well publicized. Budgetary restrictions of \$45,700,000 are already outlined by means of: a staff reduction of approximately 5,000, or 4 per cent; a reduction of approximately 3,000 beds, including complete closure of nine hospitals. Mr. Chairman and members of the Legislature, Ontario had three beds per 1,000 less than Alberta on January 1, 1975.

Manitoba set guidelines of 11 per cent in September, allowing 8 per cent for salaries and 3 per cent for expansion and new programs. Small hospital budgets are now determined on the basis of discharges. An 11 per cent guideline, and they anticipate a contract settlement in salaries and wages in the hospital field of up to 16 per cent. If approved, the government has committed itself to covering the cost.

Saskatchewan has not yet determined or formalized its policy, but it anticipates reductions and a basic freeze on hospital expenditures generally, with minimal increase.

British Columbia hasn't finalized its objectives, but currently they are to hold operating increases from 5 to 6 per cent. But with wage settlements of 8 to 10 per cent expected, hospitals may be forced to curtail services and staff in British Columbia by about 5 per cent. Bed closures are expected, especially during the summer vacation. Mr. Chairman, British Columbia had two beds per 1,000 less than Alberta on January 1, 1975.

I've done this, Mr. Chairman, because I think it's important for all of us in the Legislature to put in context what we're trying to do in Alberta. Certainly the current budget is a real 11 per cent increase. It's \$50 million more than last year, but we're trying to arrive at a financially responsible increase in hospital costs.

I've indicated my view to the members of the Legislature that it is the province's responsibility to set a broad policy. Board policy terms and the individual decisions are made by individual hospital boards. Mr. Chairman, hospitals have indicated they feel it is a manageable situation, that no patient requiring emergency treatment in a hospital will be denied that treatment.

But let's make another comparison: when we talk about active treatment beds — and the way we have applied the budget for the current year is to put a high priority on the extended care or longer term care beds — Alberta and Saskatchewan have the highest

number of any province in Canada, so we felt individual hospitals could make the decision. If they decide to close down active treatment beds, it is because an individual hospital has decided that's the lowest priority, the most manageable situation; that other services in the hospital have a higher priority than keeping those beds open.

Let's talk about beds per 1,000 population in comparative terms, Mr. Chairman. On January 1, 1975, in general or active and acute care beds Alberta had 7.01 beds per 1,000; the Canadian average was 5.86. The province of Ontario was 5.69 compared to Alberta's 7.01. In total beds — acute, general and longer term care beds, including beds for psychiatric disorders — Alberta's was 11.45 per 1,000 at January 1, 1975; the national average in Canada, at the same time, was 8.86.

Mr. Chairman, Alberta had nearly 35 per cent more beds than the national average. Now that's pretty dramatic. We consider Ontario a [more] prosperous province than Alberta, although in Ontario some would say that maybe we're trying to balance that a little bit. Nevertheless, the total in Ontario at January 1, 1975, was 8.45 beds per 1,000, which is an indication of the capacity in the hospital system. Alberta is again 11.45. Alberta had three beds per 1,000 more than the province of Ontario at January 1, 1975.

Again, Mr. Chairman, I think that's something hon. members in this Legislature and citizens of Alberta should be aware of, in order to put the current 11 per cent increase — \$50 million more in the hospital system — in some kind of context. Some individual hospitals have decided to close down a minimal number of beds. Some hospitals have decided they're going to economize in support areas such as laundry, dietary [services] and housekeeping. Some hospitals have indicated the result will be that they will not fill vacant positions or, of course, add any positions, but that staff layoffs generally will be minimal and minor.

Mr. Chairman, in this connection I think it would be useful to hon. members in the Legislature for me to put something else in context: the employment opportunities for graduate nurses in this province. I think we can fairly say, with the provincial comparisons I've indicated to the House, that relatively speaking, the employment opportunities in the hospital system in Alberta will be better than is generally the case in Canada in spite of the restraint being applied in this province. Perhaps it's difficult to employ all graduates from our Alberta nursing schools. But we must also remember, Mr. Chairman, that historically we've imported people from other provinces; we've imported graduate nurses from Saskatchewan and Manitoba. We've had a greater staff inflow than outflow to our hospital system in Alberta in terms of graduates.

I would like to make hon. members aware, Mr. Chairman, that I have written the following letter to the hospital boards because I think it should be something they pay attention to during the year of restraint. It's addressed to the chairmen of the hospital boards, and I'd like to read it.

This year our universities and hospital schools are graduating many Registered Nurses who will be seeking employment within the next few months. In this year of restraint, these nurses will undoubtedly encounter some difficulty in

locating desirable positions in our province. I strongly urge that where such qualifications are required you give preference to Alberta's graduates. We have a sincere and real investment in the education of these people. Therefore let us, whenever possible, retain them in Alberta.

I believe the hon. Member for Little Bow would be interested in that. I would like to table it for the information of the hon. members of the Assembly.

Mr. Chairman, basically I think, with responsibility, we didn't expect it to be easy. We certainly expect some problems. I think I indicated in the House earlier that the response to any broad and general policy is definitely one of unqualified support in the Alberta Hospital Association. Secondly, I want to compliment all hospital boards on what I think is nothing less than outstanding co-operation with the province in terms of the 11 per cent expenditure restraint policy. Thirdly, we must consider ourselves fortunate in comparison with any other province in Canada.

I appreciate that's no answer to the person who feels, either personally or on the advice of his physician, that he should be in a hospital bed immediately. But frequently, Mr. Chairman, the internal assessment in the hospital is not the same. So these are matters of judgment, matters where judgment can in fact be questioned.

But I think we have to say there are only about three reasons. If we have the highest number of active treatment beds of any province in Canada — and we and Saskatchewan do — then we have the greatest access by citizens to the hospital system of any province in Canada. So, Mr. Chairman, if someone who needs to get into a hospital in an emergency is not getting in, it's either because the judgment is incorrect, or it must be worse in other provinces, or the physicians in Alberta are in fact putting people in hospitals on somewhat different criteria when we have that large capacity than might be the case of the medical profession in other provinces with a lower capacity than in Alberta.

Briefly, while we're working this general policy through the hospital system in Alberta — and that's not to say I've not talked about the solutions in the longer term. Nevertheless, Mr. Chairman, I believe we are fortunate in Alberta compared with what's happening in other parts of Canada; but as Albertans there will be difficulties. There might be certain areas that we didn't intend. If in fact this happens, we'll have to assess them and see whether any correction may be made.

But in my view, Mr. Chairman, as Albertans we must work together responsibly on this, and we must face the problem squarely and together.

MR. NOTLEY: Mr. Chairman, there are four or five general points I'd like to raise and ask the minister to respond to.

To begin the discussion tonight on reasonably amicable terms, I would have to say that I appreciate the progress which has been made in Fairview with the construction of the new hospital, and so do the residents of the northern Peace who see daily evidence of the building going up. I'm sure the minister will be pleased to know, if he isn't already aware of it, that it's ahead of schedule. It's certainly going to be an excellent addition to the community,

and will be of significant benefit in improving the hospital services in northwestern Alberta.

Mr. Chairman, the first issue I'd like to raise really deals with the whole question of cost sharing on hospitals between the federal and provincial governments. Last week we heard comments, both from the Premier and from the minister, concerning Alberta's position that Alberta as a province would prefer to see Ottawa get out of cost sharing on hospitals and in fact transfer equalized tax points, income tax or corporation or both, to the provinces to allow the provinces to move into this field.

Mr. Chairman, during the discussion of the estimates I think it would be useful if we could get a pretty frank appraisal from the minister as to whether this position is going to get very far. As the minister well knows, the Government of Alberta has been taking this point of view for some time, and to this point in our history anyway, Ottawa has not responded. Ottawa has taken the view that cost-shared programs involve some form of funding formula with Ottawa.

Having said that, I have to express more than a little concern about Ottawa's present phasing back of commitment both to medicare and hospitals. Yes, more money will be made available. But more money will be made available on a declining yield, which means that a larger and larger percentage of the burden is going to have to be borne by the provinces. Now, failing some kind of agreement to transfer tax points on an equalized basis, inevitably the provinces are going to have to choose other types of revenue to fund the hospital expenditures that are now paid for, at least in part, by federal contributions.

So I think it would be useful, Mr. Chairman, if perhaps we stopped there. I was going to outline four or five points, but perhaps before we get sidetracked it might be useful if we ask the minister to respond on the present situation on cost sharing.

MR. MINIELY: If I can just make sure I understood the questions, Mr. Chairman. The first was a statement by the hon. Member for Spirit River-Fairview that the province's position was equalized tax points in exchange for health-cost sharing. I would like to confine my remarks, if I might, to health-cost sharing, since I think the general economic and fiscal arrangements would be more appropriately [the area of] my colleague the hon. Provincial Treasurer.

Nevertheless, that is true. We have said consistently for four to five years that we believe that, constitutionally, health is a provincial responsibility. I think it would tend to grow more in tax points with economic growth and with demand and need in the health care system.

Basically I would delineate our policy this way. Our preference would be equalized tax points or tax point transfer in health-cost sharing. Second to that — and I don't think we should throw away our principles or what we believe is right simply because the federal government may not agree to it, Mr. Chairman. I think a lot of matters have taken much time and many conferences before things have sunk in at Ottawa.

We're not prepared to give up on what we think is a valid and important principle: that the flexibility to innovate should be at the provincial level. The relationship in health care between the federal government and the provinces should be that they set just

broad national standards, broad objectives, the same way the provincial government, [in its] relationships with the hospital boards, sets broad policy under which the hospital system operates. [It doesn't] delineate every specific thing, Mr. Chairman, otherwise we might as well not have hospital boards.

So what I'm trying to say in reply to the hon. Member for Spirit River-Fairview is: while that is our stated preference, the real point we're trying to make is the fact that the cost sharing should not be overdelineated in Ottawa on a specific program basis; that all provincial civil servants should have to spend a great deal of time to meet some definition or some specific delineation in Ottawa; and that flexibility should be provided with the provinces to meet the priorities that are needed in that province at that time.

As an example, it's generally acknowledged that in nursing home and extended care, Alberta is by far the most advanced province in Canada. There are other areas we have to work on, but some other provinces have to work on nursing home and extended care. But to sit and do this in Ottawa on a specific program basis just doesn't make sense to us.

So to repeat: while we believe that transfer of tax points can be a solution to the problem, basically in addition to that we feel very strongly that the federal government should at least transfer funds unconditionally and allow flexibility for the provinces.

The third comment the hon. member made was with respect to what seems to be developing in Ottawa as a limitation on annual cost escalations. I think I'd want to say two or three things about this over the next three to four years. One is that we don't disagree with the need to control costs. We believe there's a need for co-operation by the provinces in controlling health-cost escalations. That's not to say that we agree specifically with the proposed limits the federal government is talking about, but that we basically agree there's a need to control. We have to find the realistic limits in the future in terms of control of escalation in hospital costs.

Basically with respect to the comment from the hon. member that a larger and larger percentage would be borne by the provinces, that's an argument for equalized tax points, because they would tend to grow with demand and need and with the economy of a particular province. But that statement is also dependent on two other factors. It's dependent on whether the limits are realistic in relation to cost escalation, when the hospital insurance agreement is renegotiated. It's also dependent, of course, on whether the provinces are able to limit their cost escalations within what federal cost sharing, annual cost increases, are.

MR. NOTLEY: Mr. Chairman, just to pursue that for a moment. It seems to me that the question of how far Ottawa plans to go in unilaterally scaling down their commitment to medicare and hospitalization is really the crux of the entire argument at this point in time. If Ottawa is saying, all right, we're going to reduce it by, what is it, 13 per cent this year, 10 per cent the following year, and progressively scale down until in 1980 we're out of it completely — that's the plan, as I understand it — it seems to me if Ottawa takes that position, that's a difficult bargaining position for us to

counter.

If we accept that in any way, shape, or form as a starting point, we're then working with reduced federal commitment in real dollar terms if they don't provide equalized tax points. Even if they do provide equalized tax points, they'll provide them on the basis of scaling down their commitment. So it seems to me the question of how Ottawa is going to deal with their commitment on hospitalization is really a pretty crucial issue.

I certainly accept your argument that you really can't run a very satisfactory hospital system from Ottawa for all 10 provinces and two territories, just as I believe you can't run all the hospital boards in this province from your office or from the Hospital Services Commission. We have to develop a form of flexibility. But in the fight over dollars and cents at this time, what I'm concerned about is that we not find ourselves boxed into a corner where in fact Ottawa is phasing out their share of the freight, so to speak. Whether we talk in terms of a cost-shared program or equalized tax points, they are going to be providing less money to the provinces.

I raise that because Alberta is a strong and wealthy enough province that we can probably deal with this sort of situation. Our growth, and what have you, would probably put us in a much stronger position if we had equalized tax points. I think we can all appreciate that. I raise it because I'm troubled with what will happen in the poorer provinces with respect to hospital and medical services.

The minister quite properly points out tonight that when you look at the maritimes and other parts of Canada, they don't have the standard of hospital services we have in Alberta and Saskatchewan. The problem is what's going to happen if this retreat takes place. It seems to me there's a very real danger of a patchwork system of hospitalization. That's the concern I have.

As an Albertan, I can certainly accept the argument for equalized tax points, having considerable confidence in the buoyancy of our economy, but I think there are really two questions: what that does to national standards, and in our nose-to-nose negotiations with the federal government, trying to scale down their commitments anywhere. What is that going to mean in terms of future cost sharing or equalized tax points?

MR. MINIELY: Mr. Chairman, I think a lot of what the hon. member said basically makes the argument and illustrates the point for the folly of entering into a cost-sharing program with the federal government, when you are totally at the mercy of federal government withdrawal from the program. You have the possibility of the government of the day in Ottawa introducing and passing legislation in the House of Commons which limits annual cost increases, legislation originally introduced by Ottawa and which the provinces were almost compelled to enter.

So all I can say is that a lot of what the hon. member has said makes the argument for a review of health-cost financing and something more dramatic in terms of change in health-cost financing in the future. I believe national standards can be delineated as minimum national objectives and standards, without delineating specific program areas. Then if the transfer of the financial capacity should be provided

to the provinces, even the poor ones, they aren't totally at the mercy of the federal government.

The hon. member is perfectly correct. The less the poorer provinces are at the mercy of the federal government — but what does the federal government action now do to them? As some provinces said at the health ministers' conference, Alberta can afford its principles. I think that's right, but if we can, shouldn't we be fighting for them?

MR. NOTLEY: Mr. Chairman, first of all, I'd like the minister — if he could, without being in breach of the discussions that took place among the ministers — to give us some indication where the politics of the issue now rests on this question of superseding cost sharing on hospitals with equalized tax points.

In other words, is there a strong consensus among other provinces for this sort of change, or is it restricted to two or three provinces that would obviously come out of it somewhat stronger? I think that would be useful information.

MR. MINIELY: Well, I think we've made progress. My observations have to be based on four years of sitting around the finance ministers' table in Canada. Looking back four years, it seemed like the only ones prepared to consider it were Ontario, Quebec, and Alberta. At the health ministers' conference, Manitoba indicated they are now quite serious about looking at equalized tax points. I believe my colleague, the Provincial Treasurer, can correct me if I'm wrong: it was the general approach endorsed by the premiers of the western provinces — B.C., Saskatchewan, Alberta, and Manitoba — which would be added to the ones which, historically, have believed in this — Ontario and Quebec from eastern Canada. So my quick arithmetic would say that whereas four years ago it was two or three provinces, seven are now taking a serious look and are telling the federal government that the time has come to give this serious consideration.

MR. NOTLEY: I have just one additional question on this point, and then other members would probably want to comment.

It seems to me that one of the crucial questions that has to be asked and answered about replacing cost-shared programs with equalized tax points is: how are you going to compute the money involved, the equalized tax points? I think it would be interesting, perhaps — if there was any discussion at the health ministers' conference. Obviously, if provinces are coming to that position, there must be some assessment of the dollars and cents involved. I can't see any provincial government just accepting this blindly. You can talk about principle all you like, but when somebody says it's the principle that counts, it often turns out to be the money. In terms of financing government programs, access to revenue is a pretty crucial issue. So I wonder if there have been discussions on this question of how we would compute it. I think that would be useful for the committee.

There's no doubt that Ottawa, by setting up the national hospitalization scheme, I believe in 1956, in fact induced the various provinces into hospitalization. Similarly with medicare in 1966, provincial governments were induced to enter. As provinces, I

think we are put in the position of the country girl after the travelling salesman has come and gone: we've been induced into this, and then Ottawa decides, well, we're going to scale down our commitment. Frankly, I just don't believe that's fair.

It seems to me it's just an outrageous proposition for the federal government to withdraw unilaterally from a scheme, in both hospitalization and medicare, which has engaged the provinces in heavy expenditures — expenditures which, by and large, I think most Canadians welcome and appreciate, because I believe the quality of health care in this country is infinitely better than would have been the case otherwise. But that still doesn't justify a unilateral decision by Mr. Lalonde and his colleagues to bring in a bill.

It seems to me if you're going to talk about cost sharing in any sort of fair way, there should not have been even the suggestion of federal legislation phasing out their commitment until there had been a full and complete consultation with the provinces. As I understand it, in this instance that consultation did not in fact take place on a prior basis. Am I correct?

MR. MINIELY: Taking the last point first, Mr. Chairman, the one thing all provincial health ministers objected to at the Victoria conference in August, 1975, was the fact that there was no consultation prior to drawing up Bill C-68, the medicare act.

I expressed the view that we wanted to co-operate with the federal government in an objective of controlling health-cost escalations generally. But that should be arrived at when it's a federal-provincial program historically, with full consultation with the provinces. That had not taken place prior to drawing up and introducing the legislation. So we agree with that. We do not feel that's at all fair at this time. Nevertheless, we're willing to co-operate with the federal government in the objective.

Quickly, two other items. From a short conversation with my colleague, the Provincial Treasurer, certainly a lot of mathematics and input has to go into various approaches to equalized tax points. We're not yet at a stage where we can indicate that to the House.

Secondly, I believe all hon. members are aware that cost sharing is a major item at the first ministers' conference. I don't think there will be much to report on the status of the matter until after the first ministers' conference.

MR. CLARK: Mr. Chairman, I wonder if I might make two or three comments along the same line, and then ask the minister a question.

I found very interesting the minister's assessment of where the various provinces stand and what progress has been made. I can't help but think back to the minister's predecessor, Mr. Henderson, the hon. Member for Leduc at that time, making similar pilgrimages to Ottawa with regard to this cost-sharing venture as far as health programs were concerned. If my memory serves me correctly, at that time he talked in terms of a transfer of income tax points.

I should make one other comment. I recall rather vividly the question of Alberta getting involved in medicare. The various provinces had positions. Once again, I suppose, Alberta could and did take a rather

firm position on that occasion. We could afford to be firm, if I might use that term, similar to this government today.

I recall very well the nationally televised first ministers' conference. As the conference started, five provinces had decided they were going to stay out of medicare. After a most impassioned speech on Wednesday morning by the new Premier of Ontario at that time to the housewives of Ontario, the next day Ontario, along with most of the other provinces, announced they were going into the program.

The only reason I go back and mention this is to say I think it's helpful and interesting to get the assessment as to what the other provinces are doing. But let us not forget the lesson history has taught us as far as medicare is concerned. We can go down with the best thought-out proposals possible. But when the chips are down at these federal-provincial conferences, the federal government comes along and inevitably the poor maritimes are in a very, very difficult situation. They can't afford the luxury — if I might use the term — of standing on principle, because they have a really difficult financial situation, as the minister well knows.

Then we get involved in the situation where in the end the federal government can, and has, set the terms in medicare. It simply says to a province, your taxpayers will pay the tax that is levied. If you don't come into the program, and the program doesn't meet our standards, all well be it. We'll take the money but you can run your own program. I simply make these statements because when I listened to the minister tonight and to the Premier on Friday, the argument seemed to have gone almost full circle.

I don't for one moment want it to be interpreted from my comments that we should back off the position of a transfer of income tax points for the principle of cost sharing not only in health care, but in other areas. I simply say that while that may be the position, don't carry all the eggs in one basket when you go down to Ottawa, fellows, when the chips are down. Have several contingency plans. Because I've seen the provinces' positions change overnight, almost vanish, on certain matters of principle. And the minister has, too.

More specifically, though, I'd like to ask the minister if he's in a position this evening to give us, as a result of his discussion with hospital boards, an indication of the number of beds he sees or expects will be taken out of service in the course of this year. I recognize the minister can't give an answer down to the last bed. I recognize the minister has a difficult job trying to encourage the hospital system in Alberta to live within the 11 per cent spending guidelines. But I would have to say, Mr. Minister, you will recall that a year ago we told you our assessment of your position was in fact [you were] going to be doing that, national guidelines or no national guidelines. That's the situation we're in today.

So to start off the discussion in this area, I'd be very interested to know if you can give us some sort of feel for the number of beds you expect will be non-operational this year. I should say to the minister, and I know he has had similar kinds of situations, my colleague from Little Bow and other members in the official opposition have been besieged — perhaps that isn't a good term — but certainly a number of people by way of telephone, personal visits, and letters,

especially in the urban areas of Edmonton and Calgary, have expressed a great deal of concern about the quality of care, the laying off of certified nursing aides, and not filling Registered Nurses' positions as nurses leave the service in the various hospitals.

Recognizing you've got a difficult job, Mr. Minister, I think the fact still remains that many people are very concerned about what's happening to hospital care in this province. It's all well and good to say that really a board can decide to close beds, or can cut back on supportive services or cannot fill vacant positions. But when we get down to a board having to come to grips with its financial situation, it can do some of the cutting back in supportive services and not fill some positions, but in the end the only real place — the major place, I shouldn't say the only place — but the real place it can save money, if that's the name of the game, is in the bed situation.

So that's why I think how many beds we are looking at across the province becomes important, once again recognizing the problems. The figures I've heard have been in the vicinity of 500, with about 350 in Edmonton and Calgary.

MR. MINIELY: I will address myself, Mr. Chairman, to the last question specifically. I believe the hon. leader said something about "we told you a year ago". Mr. Chairman, I don't recall anyone telling me a year ago.

The first statement I remember regarding the concern over hospital costs and the escalation that had been experienced was in the last Budget Address I presented as Provincial Treasurer in March or February 1975, and I think was repeated by my colleague in his Budget Address soon after becoming Provincial Treasurer in Alberta. So I think we in Alberta knew some time ago that we had to get some kind of orderly and responsible annual increase in hospital costs.

Basically, Mr. Chairman, I can only indicate what I indicated to members of the news media, I believe a month ago now, that we don't have all the indications or plans of every hospital in Alberta. But I did meet with every single hospital board in Edmonton and Calgary, including active treatment, extended care, and nursing homes. I did meet with many smaller hospitals in regional centres — Red Deer and Grande Prairie — over the period of months when we were communicating with boards on the restraint and the potential impact of the 11 per cent expenditure increase restraint.

Mr. Chairman, I'm sorry the hon. leader — I don't believe he was in for my earlier remarks. Because you say I'm encouraging hospital boards to co-operate. This policy was arrived at jointly in full consultation with the Alberta Hospital Association which commenced back in July.

Before the province ever announced an 11 per cent restraint guideline, we were meeting with the Alberta Hospital Association. I tabled a letter from the president of the Alberta Hospital Association which I believe is indicative of their full support for the need for restraint in the hospital system, recognizing there might be some difficulties and problems.

I'm very reluctant to — I'd basically have to say that with the general impression I've been given to date, it might be 100 beds one way or the other when hospitals finally implement their plans. But I have no

reason to change what I indicated to the news media at that time that I would see the maximum closure for the entire year being somewhere between 300 and 400. The figure the hon. leader is referring to probably includes summer closures. Summer closures will be just during the holiday months of July and August. And in terms of being transposed into the balance of the full year they should really be separated, because they're simply for the vacation period.

In terms of closure for the balance of the year, we have tried within the flexibility of the current year's budget to ensure that if there are closures, they're in the hospitals' lowest priority area and in the active treatment area, not in the extended care area. We try to give higher priority to the auxiliary and nursing home beds. The major part of any closures we anticipate would be in the active treatment area where I've already indicated we and Saskatchewan have the highest capacity of any province in Canada. No indications have come to my office yet that would make me think that, on the basis of a closure for the balance of the year, I should alter my general estimate. If other information comes in which makes me think I should alter it, I would be happy to advise the hon. leader.

MR. CLARK: 300 to 400?

MR. MINIELY: That's all the information I have at this point.

MR. R. SPEAKER: Mr. Chairman, to the minister. First of all I'd like to say that I very much appreciate the letter he has sent with regard to graduate nurses. I think that was very commendable to follow up and complete that task.

The other area I want to mention is with regard to the topic raised by the Leader of the Opposition and the minister, the situation in the hospitals at the present time. I think I can agree with the minister that certainly the whole concept of restraint is important. That's number one. Number two is that the minister's responsibility is to establish broad policy. But even in saying that, we have to recognize that the minister and the government are still responsible for the level of quality care in the province of Alberta, and also access to health care by the residents of Alberta. That particular point of view comes home to me when I talk to people who have had difficulty getting into hospital, or getting a certain level of care.

The question I want to raise with the minister is: how does he make a judgment as to when quality of care has dropped in a hospital? Has he some monitoring system? Has he established a pattern of decision-making within the hospital commission to look after this? In the earlier part of this session, I can recall making some statements with regard to restraint.

On April 19 I received a letter from one of my constituents. I think it brought to a head the point I'm making at the present time. Most likely there will be other people like this, but I use this letter as an example of the situation we have created, an example that sort of places the responsibility of quality care and access to quality care on the shoulders of the minister. The person who sent the letter to me is a

very credible person and certainly not a person who writes emotional letters just to write them. That, I think, adds a lot more substance to what is said. First of all she says:

I guess it is probably too late to do anything about the matter I am bringing up, but it hasn't come to our attention until lately.

It is the cutback of grants to our hospitals. This could affect people we know and love and is a matter, I feel, for deep concern.

I am going to be specific.

Jim is going with a girl from High River . . . seventeen years old, who, about five weeks ago was told she had Hodgkins' disease. After various tests she was given radiation treatments for three weeks. These were stopped in order that she might have an exploratory operation to determine whether or not the cancer is in lymph glands in other regions than her chest.

She has waited for over two (in fact nearly three) weeks for a bed and has heard nothing.

She has a sister in training in the Holy Cross. Marie was home over the weekend. Evidently the whole seventh floor is being closed. Marie says that the student nurses are being run off their feet, and the regular nurses are wondering who is going to be laid off. Morale on the whole is very low.

Julie's chest is beginning to bother her again, indicating that probably she should be having more radiation and her parents are of course, very concerned.

This cutback could result in not only Julie, but others not getting the necessary treatment in time. In the case of cancer of any kind, especially in young people, time is a crucial thing.

She goes on to cite another case out of High River in which a person who has cancer is very concerned about getting care, and through the *High River Times* makes a plea to the cancer association for funds so that she can get care.

I think the letter brings to light the responsibility before us. Not only do we have to restrain spending, but at the same time we have to have some system or technique — and I think this rests with the minister — to monitor the care. I get a little alarmed when I sit in my place, in question periods particularly, and the minister responds, in general, this is what's happening. It's up to the hospital boards to operate the hospitals and to run them to the best of their ability within the global budget or within the means we provide for them.

It's easy to say that, but I feel the minister has to do something beyond that, some extended feeling or concern about the level of care in the hospitals. I'm not sure how to advise how to get at that. I'm just raising the point with the minister that it is a responsibility he has. Certainly we want him to be more concerned about that quality care.

As more letters like this come, and I'm sure more letters similar to this will arrive at the minister's desk, what action does he see himself taking?

MR. MINIELY: Well, Mr. Chairman, certainly the kind of letter the hon. member refers to is a difficult one. It's the kind of letter I don't think we get just in a year of restraint. It's the kind of letter we'd get prior to that. I'm sure when Social Credit was the govern-

ment or even when the hon. member was involved in the portfolio, we would frequently get that kind of letter.

We all know if it's a member of our family, and if our personal judgment is that we should be in the hospital, or a physician says we should be in the hospital, a lot of different judgments are involved as to whether there is an immediate need to get into a hospital. One is the physician's judgment. Sometimes in spite of the physician's judgment, the patient or the patient's family does not agree. The physician might say, it's not an immediate need to get in the hospital. In fact the admissions committee of the hospital setting aside restraint in any normal year, may not agree with the physician's judgment on the matter.

What I'm trying to illustrate is that, certainly, we in Alberta have to set minimum general standards. But you know, Mr. Chairman, I think we have 25,000 people or more working in the Alberta hospital system. I think that's where our quality of care is; the potential for quality of care is the quality of the people working in the Alberta hospital system. We in the provincial government, sitting with 150 to 200 public servants, as excellent as they are, can't compensate for the quality that basically should be in the hospital system in this province.

As the minister, I have to sit and look, and say, instead of the highest number of beds in Canada, 30 per cent more beds than the national average — 30 per cent — we could have 100 per cent more beds than the national average. I suppose some would argue that that's increased quality of care. I hear others argue that that's not really the case at all; that quality of care, in the final analysis, is related to the quality of people we have in our hospital system; that the quality of people working in the hospital system is really what will predicate the quality of care. Generally speaking, in terms of attracting people, I think that historically we have been able to attract — certainly our salary levels in the hospital system are the third highest in Canada. Generally speaking, we can say we have a high quality of persons in our hospital system. That's not to say we can't do better.

But as much as I sympathize, I do not agree with the hon. member if he feels we should sit as a provincial government and make judgments on a specific matter such as the hon. member raises. In all those kinds of cases, if the hon. member brings them specifically to my attention, I will get a report from the hospital board involved. But I think that judgment has to be made by the hospital board which knows the general quality of care and what's generally available in that institution. We in the provincial government can't possibly know that.

I have to repeat: the indication is that we're starting with the greatest capacity, or equal to the greatest capacity, in Canada. Even in this year of budget restraint, we're starting with \$50 million more. I think that as a province and as legislators we are asking our hospital boards in Alberta to do a job, and they've indicated to me that in their view the general quality of care in individual hospitals should not be jeopardized.

I'd be happy to examine the specific [instance] the hon. member raises and get a reply from the individual hospital board. But I certainly can't make a

personal judgment on it, and I don't think the hon. member would think I could.

MR. R. SPEAKER: Mr. Chairman, no. There's certainly no request on my part to make a judgment on this specific instance. I used it as an example to try to illustrate the point I was making.

Just two things: one, the point I want to make is that I'm not asking the minister to interfere with the judgments of local hospital boards on administration or how they operate. I'm talking about the comment you made with regard to broad policy. That broad policy relates to budgetary allocation. During this coming year, when we're going to go through these growing pains — changing pains rather than growing pains — the minister will have to make some judgment about quality of care within the hospital system. A year from now you may come back to us as legislators and say, we should increase the budget 25 per cent. What I'm saying is: what are you doing to monitor that, to make a judgment to that effect at the present time? That was the point I was attempting to make, because this is where the minister steps into the picture and makes a judgment. That's the first point I want to make.

The other point is, I'm not asking the minister to stand in his place and defend the system as it is at the present time — the number of beds and the comparisons and things like this. I understand that. What I am saying is, in the year ahead, how are you going to monitor what's going on? How do you judge the quality of care out there? Are we just going to have a flood of letters like this and then say, well, I guess we have to give in. Maybe there are other things in government that should have a lower priority than hospitals at the present time.

MR. MINIELY: Well, Mr. Chairman, I guess I wasn't choosing the right words. I think I can only indicate that I can make a judgment now as to Alberta's comparative quality of care. The judgment I can make right now and during the coming year, in spite of 11 per cent expenditure restraint, is that Alberta will maintain the best capacity and quality of care, equal to the best of any in Canada. If you look at all the indications of what other provinces are doing, if you look at the starting point for Alberta, I think I can safely say that that would be an accurate statement.

Now, I tried to say earlier that to judge quality of care beyond some kind of comparative basis certainly requires a physician's judgment or a professional judgment. But comparatively there's no question. Compared to what the situation will be in the coming year for any province in Canada, Mr. Chairman, Alberta will be equal to or better than other provinces in Canada. Beyond that, I don't think we can make a judgment.

We know we've got high quality care in Alberta, and I think we are fairly confident. That's not to say there won't be specific problems or specific cases that should be checked into. With respect to the monitoring, well, that's why I've met with over half the hospital boards in Alberta in one year. They indicate to me that although it might be easy during this year — and I'm sure it will happen — some of the letters which normally would just be saying we have to spend more money would now refer to the fact that budgetary restraint is causing it.

I'm trying to say that may or may not be the case. In a lot of instances it may not be the case. But I can only go on the advice given to me by individual hospital boards that are making the cutbacks. They are telling me that anyone who really needs to get into the hospital on an [emergency] basis is going to get into the hospital; that it's generally the elective kinds of things that can wait, and even that situation will be relatively better in Alberta than in any other province in Canada.

MR. TAYLOR: Mr. Chairman, I would like to make a few remarks in connection with the hospital situation. First of all, dealing with federal cost sharing, I am of the opinion that the provinces should go to Ottawa with a very definite determination not to make any modification at all. I believe the trouble is that each province goes with a number of modifications or alternatives and in that way weakens its own case.

When medicare was first advanced in this country, Alberta had a reasonably good medicare plan which was operated by the doctors of the province. It was not compulsory; it was optional. Generally people were quite happy with that plan. But Ottawa said to Alberta, as they said to other provinces, you either come into our plan or we'll tax your people anyway. No government could stand for their people being taxed for a service they were not going to get and simply stay out of the plan.

So actually the provinces had no choice. They either had to go in or their people would be taxed anyway for this national medicare plan. This was a plan set up and geared by the federal people. They made their beds, and now I think they should lie in them. They were the ones who started this program, and I don't think we should let them get out of it. If every province took a firm stand, I don't think Ottawa would dare get out of the program they themselves forced the provinces into.

Now I think it's a good thing to have a national plan and national guidelines, but I certainly don't think it's a good thing for the Canadian government to be consistently starting plans, then when they get them rolling to throw the whole thing progressively onto the shoulders of the provinces. Again, I would like to see each provincial government, and certainly this provincial government, take a very definite stand against any modification that's going to throw some of the costs, now on the shoulders of the people of Canada, onto the shoulders of the people of Alberta.

It's completely unfair, and we certainly shouldn't be scaling down our commitments to let the federal government get out of this medicare commitment gracefully. If they're going to get out, and they do it unilaterally and by force again, let them take the lumps from the people of Canada. But don't let them go out during the next election and say, the provinces of Canada agreed to this, so they are partially responsible.

I would again urge the government to take a very definite stand and tell Ottawa in no uncertain way, you made the bed, and now we're in it, and we're staying in it, and you're staying in with us unless you get yourself out. Then the people will know who brought this about.

Some people in my riding are concerned about the — and I'm going to use quotation marks — "cutback" in hospitals. In almost every home I go to, people ask

me, why are we cutting back on hospitals? This misinformation is not only in the Drumheller riding. I've had people in Edmonton ask me the same thing. What's in the mind of the government, cutting back on hospital services? I believe there's a lot of misunderstanding when we use the word restraint, 11 per cent restraint. People seem to take it as an 11 per cent cutback from what we had last year. Actually, when I tell people there isn't an 11 per cent cutback, there's almost an 11 per cent increase, or \$50 million, they're completely amazed. They say, well what are we talking about if there's a \$50 million increase? Now this is the part that's generally the most difficult for people to understand. They're being led to believe there's a cutback, and actually it's a restraint program, a guideline program that's limiting the cost increase.

Now when I ask people, do you want the hospital beds in Alberta to cost \$135, \$125, or \$90 a night — which are found in a good number of parts of the country south of us — they throw up their hands and say, no, we certainly don't. I don't think any of us do. Unless some guideline is set, this is eventually what we're going to get. The hospital beds are going to be out of reach of the average person unless they're subsidized by government, and subsidized heavily. I believe we're starting at the right time to make sure our costs of hospital beds do not get to the very, very high figures we now hear of in Florida. One of my constituents came back almost broken-hearted because he had a hospital bill of \$125 a day. How can any working man pay \$125 a day for a hospital bed?

I'm going to try to outline what I believe the people of my constituency, at least, expect from a hospitalization program. Number one: a few years ago we were building hospitals. We were building more beds. During the last eight to 10 years we've built beds supposedly for an increased population. A number of influential people in Drumheller said to me last Saturday when I was in the city, the population has now increased and we're cutting back on the number of beds. How come? Well, I had information from the hospital that, on the average, about 40 or 45 of those 70 or 75 beds were used. So 15 or 20 beds are actually empty most of the time. This information wasn't available to many people. If we're simply keeping 15 or 20 beds empty in case there's an epidemic, that's not good economics. If we have 100 per cent occupancy and we only have 75 beds, certainly it would be very bad business cutting back the 75 to 40 or 50. But cutting out 20 and bringing it down to the average occupancy of that hospital seems to me to make good economic sense.

I was also told by a hospital official that they were overstuffed and had been for years. When I said, "Why didn't you discharge some of the people before, instead of using this as an excuse?", he said, "Well, you know how boards are. They don't like to hurt anybody's feelings, so we've kept a number of staff who shouldn't be here". I think that's completely unfair to the staff and to everybody else concerned, including the hospital commission and the Minister of Hospitals and Medical Care. If we're simply using this as an excuse to do something we should have done before, the people should know about it, as far as I'm concerned.

I think this matter of staff is a serious thing. I felt

pretty bad when 15 people were discharged or at least automatically retired or laid off from the Drumheller hospital. None of them were nurses, but they were nursing aides and highly qualified people, some of whom had spent 14 to 15 years, who thought they were doing a good job, then were suddenly let go.

I think any of us in that position would feel pretty bad. I hope something can be done for that type of person, who has been in a position for that long and believed she was doing a good job, then suddenly was discharged because they're overstaffed. It makes people very bitter. I think we need a better explanation when we're discharging staff than the government simply saying, we have to cut down so we have to discharge so many staff.

As far as I can see, with an 11 per cent increase I find it difficult to understand why any staff should be discharged in a hospital that has been operating efficiently. Surely an 11 per cent increase should keep all the staff there if the hospital has been operating efficiently. If they've been operating with a deficit, of course it's understandable. But if they've been operating within their budget, and with a modest increase within the guidelines of this country, I can't see why staff should be discharged. But certainly I think we have some responsibility to try to find suitable employment for those who are discharged.

The people generally feel that if a patient needs hospitalization and the doctor thinks that person requires hospitalization, a bed should be available. With that I agree. I can't say I agree because every Tom, Dick, or Harry in the coffee shop thinks there should be more beds. But medical people are very responsible people. If doctors are concerned about a cutback in the number of beds, I think we should alert ourselves and listen pretty carefully. Doctors are normally realists, and they're not panicking, but they do want to be in a position to put a patient in a hospital if the patient requires hospitalization.

I feel that some patients are rushed out of the hospital, not just now but for some time. When a patient has to appear at a doctor's office to have stitches taken out, it seems to me that's rushing him out of the hospital. Maybe there's a medical explanation and good reasons for that. But it seems to me they're being rushed out of the hospital.

When we built hospitals a few years ago with a number of beds to cope with an expanding population, I think we have to have some very good reason for cutting down those numbers of beds. Of course, the occupancy rate is the important thing.

Another thing I'd like to ask the minister is: do we have long waiting lists for people to get into hospitals in various parts of the province? When one story came to me that the Drumheller hospital was going to lose all its serious operations, that they would be moved to Calgary or some other place, that was a concern to me, because in the program last year I found that 498 cases of major surgery were carried out in the Drumheller hospital.

We have excellent surgeons there, excellent physicians, equal to any in Calgary, Edmonton, or elsewhere. I think some of them are in the specialist class. The people have confidence in them, and to move surgery from the Drumheller hospital elsewhere would be, in my view, false economy and

complete folly.

But I now find that was simply a rumor. There was no thought of moving major surgery out of the Drumheller hospital, but to keep it there. Perhaps you could even bring more into Drumheller, [from] where there isn't medical staff to cope with it. So again, there was misinformation about that particular item. I think people are beginning to realize that if beds are empty, it's certainly saving their taxes if the inefficiency is cut out, or the lard is cut off.

The other concern many people have expressed to me is: what about an epidemic? What if an epidemic took place in Drumheller or East Coulee next week and we needed 15, 20, or 50 more beds? I had to say, well, my feeling is that if there's an epidemic, this would be an extraordinary situation, and any government would act. I'm sure immediate attention would be given to an epidemic. Nobody is going to be dying on the streets, or without a hospital bed. I don't know why people need that assurance, but I would like the minister to tell us what plans they have in case there is an epidemic during this period of restraint.

The other thing I would like to have the minister mention is the appeals made to the Hospital Services Commission. I understand the Hospital Services Commission goes through this matter pretty carefully. The hospital board appears to have very great faith in the hospital commission, and the hospital commission has a difficult job to do. A hospital board makes the appeal, generally for more money, I suppose. I'm wondering what criteria the hospital commission uses in assessing the appeal for more money. Is it the number of beds occupied, the number of doctors available, the size of the area — exactly what are the points? I would like to have that outlined, because I was asked that the other day. I told him what I thought it was, but I didn't have the exact answer. Consequently, I think the people should have that.

Generally speaking, people are a little worried about the cutback in hospital beds. In regard to the quality of service, this may deteriorate because of a cutback in staff, but I think that is most unlikely. We have good nurses, excellent nurses, mediocre nurses, and poor nurses. It seems to me it doesn't matter what amount of money is paid; the excellent nurse is still an excellent nurse. The good nurse is still a good nurse, and the poor nurse still does the very least she can possibly do. Fortunately we have a very high percentage of excellent nurses. Unless the staff is cut to the point where it's just impossible for a nurse to cope with the situation, I'm sure the quality of service inside the hospital is not going to deteriorate. I hope not.

The general situation, I believe, is to watch the situation carefully, particularly to make sure that if a doctor wants to put a person in the hospital, there's going to be a bed available; if there's an epidemic, that some plans are made to cope with it; and that the whole general plan is not a reduction, but a \$50 million increase.

We're simply asking hospitals to do what we're asking every employer, workman, government department, storekeeper, every one of us as individuals to live within the guidelines in order to fight inflation so the dollar will not be eroded any more than is absolutely essential. I'm hoping we can co-operate in this program so we can continue to have not only the best hospital program in Canada, but a worthy one

too. It would be little consolation to a man who had a very serious need for a major operation if we said, well, it's the same thing in Quebec. They can't get into hospitals either. That wouldn't bring much consolation.

I hope that this coming year, with this restraint, it will not be necessary to say to anyone who needs major surgery, we can't find a bed for you because of the restraint program. I don't think it's essential to carry restraint to the point where we can cut back on major surgery in any hospital in the province of Alberta. I would appreciate having the comments of the minister on some of those points.

MR. MINIELY: Mr. Chairman, I believe the hon. Member for Drumheller put it in context. He put it in context relative to his constituency, brought out the fact that there was a lot of misinformation; that when he checked into it, he found it was not in fact the case.

I'd like to answer the specific questions the hon. Member for Drumheller raises and then just make a general response to the remarks of the hon. member. First, with respect to long waiting lists, are there any? It is a constant challenge to determine the validity of waiting lists. Frequently when additional beds are required, or at least a community or a city hospital wants additional beds, they talk about a long waiting list. But you can't judge it simply on the indication of a long waiting list. You have to look at what it's for. You have to look again. As Albertans, we have to put it in the context that if we have a so-called waiting list in Alberta looking at the general active treatment hospital system, they must be that much worse off in other provinces. So it's a relative thing.

If someone is on a waiting list who should definitely be in the hospital today, and the judgment has been made by the physician and by the utilization committee of the hospital, then that patient is going to get into the hospital. In other words, the system is there. It's not to say that errors or mistakes aren't made in the system. But as I indicated to the hon. Member for Little Bow, if there are indications that that isn't happening, I'd like to know. Because I think the hon. member puts it in context when he says it's [up to] the individual hospital board within its total budget to assess what the lower priorities are. And if, in fact, they're eliminating something that is not in the interests of the patient, we as legislators want to know about that so we can examine and see whether that's the case. But generally speaking, that should not be the case, from any indication given to me.

Relative to a possible epidemic or this kind of thing, I believe the hon. Member for Drumheller is aware of the fact that we have what we call an emergency hospital which comes under disaster services and can provide additional beds on an emergency basis, either in a community or on a total provincial basis. Even with our current situation, that doesn't mean we aren't going to have a lot of beds available in Alberta at any particular time. As the hon. member indicated, in spite of the 11 per cent increase in provincial spending in the hospital system — which is simply a control of escalation, not a cutback in spending — we will still have beds available in Alberta at many times. It's not as though we're going to have 100 per cent occupancy in Alberta.

With respect to individual hospital appeals on the

budget, this year I've indicated in the Legislature, basically, that we certainly did not have the flexibility we had in other years because it is a year in which spending increases are restrained to 11 per cent. For that reason, in broad terms, we had to approach the hospital appeals with basically the following kinds of questions. Did we apply the guidelines fairly to that particular hospital? These included 8 per cent for inflation, 2.5 per cent for 'annualization' of programs which were installed in mid-year, and only .5 per cent flexibility. That was one question.

Other than that, we tried to accommodate only three general areas. One was a more than normal growth factor in the community. Another was the extended care area. We tried to be a little more flexible in longer term care because, as I indicated earlier, we have a high number of active treatment beds for our population. We also have a high number of extended care beds for our population, but our priority right now would be — it's much more difficult, Mr. Chairman, to close down a bed for longer term care than for a short term stay, because part of this can be accounted for by hospitals by active treatment beds or acute care beds. The average patient's stay in our larger acute care hospitals has been going down quite significantly in recent years. So the hospitals can accommodate bed closures through things like day surgery, which has been expanded in recent years, day care capacity, and in fact through the trend that patients are not staying in acute care beds as long as they used to.

The prime example I was interested in, as I think all hon. members would know, is that only four to five years ago the average stay for maternity cases was still around six or seven days. I think it now runs about three days in a lot of cases. The general trend is that the patients are moving through acute care hospitals much more rapidly.

You mentioned the fact that we have some excellent nurses in Alberta. I had wanted to say in my general remarks — but I want to say it now — when we consider that 75 per cent of the cost in our existing hospital system is salaries and wages; when we consider the fact that in Alberta we're extremely fortunate to have a responsible Alberta Association of Registered Nurses, and the health science technicians who have arrived at an agreement of 8 per cent; when we consider the fact that in Alberta we have arrived at a 9 per cent agreement with the medical profession, it's been my impression, Mr. Chairman, that Alberta is the most advanced province in Canada at this time in the hospital and medical care system generally, with respect to the very responsible approach of some of our health professions.

I think this was important to what we're trying to accomplish in terms of escalation generally, because if we're not able to control that in such a large public expenditure area — I want to compliment the Alberta Hospital Association at the same time, because they did an outstanding job in my view — how are we going to be able to do new things? If an escalation factor in the neighborhood of 35 per cent is what we've experienced in one year, how are we going to improve quality in the future and innovate and experiment? Obviously that gets to be very difficult if we don't get it under control.

I want to say one more thing specifically, and then make just a general response. The hon. Member for

Drumheller mentioned that he would be concerned if an individual physician felt that his patient should get into a hospital bed and the patient was not able to. I think it's important for us to consider that that could happen. I would like the hon. member to agree that we should have a hospital admissions committee and a utilization committee that would form a strong judgment on whether the physician is right. Otherwise we may not have the capacity to control utilization of our hospitals in the longer term, let alone this year.

I think the hon. member knows I've had many meetings with the College of Physicians and Surgeons and with the Alberta Medical Association, and I agree that generally they have acted and continue to act in a very responsible manner. But I would not want anyone in the Legislature to feel that during this year of restraint we might have medical staffs in individual hospitals which would not end up expressing concern.

Physicians in Alberta are a little more spoiled than people in the rest of Canada, as we as citizens are. Historically, physicians in Alberta have had access to a greater number of beds than anywhere else in Canada. So I just ask the hon. member to understand that it could be an individual physician thinks his patient should get into the hospital, but an admissions or utilization committee of that hospital would say, no, we don't agree that that's an emergency.

In conclusion, Mr. Chairman — the hon. member spoke about accurate communication — I want to say that I think communication is important. I think I accept my responsibility to try to communicate as accurately as I can with the real situation in the hospital system. I can't think of any area that requires more responsibility, not just of me as the minister but of every member of this Legislature, to put the entire thing in context for our citizens and not to create concern where it is not valid. That requires an effort on the part of us all.

MRS. CHICHAK: Mr. Chairman, I just would like to make a few comments in one area. My comments result from representations made to me in the course of my visits with the Alberta Hospital Visitors Committee to auxiliary hospitals and nursing homes. They relate to cost, of which I think we are very conscious in this year.

I have had representations, and I think I have spoken to the minister on it. I wonder if he has given the suggestions some thought. In the auxiliary hospitals and nursing homes there are patients who require medication under supervision. They are paraplegics or have other physical handicaps, and do need supervision three or four times through the day. Other than that, professional health services are practically not required. A good number of these patients have expressed their preference to live in an apartment if they were able to get an apartment adjacent to an auxiliary hospital or nursing home and were able to get the health care extended to them. Of course the cost with respect to such a change or such a move would be extensively less than it is today with the patient remaining in residence in the auxiliary hospital or nursing home.

Some of the nursing homes and auxiliary hospitals have indicated their preparedness to provide this

service where it would simply require a few minutes' walk on the part of the staff to the adjacent apartment to administer the medications or whatever other service the patient requires, and then return to the institution. The time for that service would be minimal. The presence or the constant care of the patient within the home would not be there. It's my understanding that some of these nursing homes and auxiliary hospitals have made presentations to the minister or his department of such desired programs within their scope, and that they are not able to provide this service because if, in fact, a patient is moved out of the residence of the institution, they cannot receive funding for care they give outside the institution.

So that is a suggestion I would like to put to the minister. I wonder if he has had an opportunity to consider the feasibility of such a plan. As I initially remarked that I did make this presentation to the minister, I'd like to have some comments with respect to whether some study has been done or where we are on it.

MR. MINIELY: Mr. Chairman, the hon. Member for Edmonton Norwood raises a very important longer term policy consideration that we certainly have to take a long and hard look at. Basically the hon. member is talking about home care, which at the present time is under the responsibility of my colleague, the hon. Minister of Social Services and Community Health, and which at the present time she and I are talking about in terms of where it should go in the future and how it relates to the hospital system. Will it in fact provide a good quality of care, and can it be an alternative to either active treatment beds or auxiliary and nursing home beds?

The hon. member indicated that many auxiliary hospitals and nursing homes would like to extend home care from the auxiliary hospital or nursing home. The policy at the present time generally is not to do that, because it is in Social Services and Community Health. However, I believe that the Department of Social Services and Community Health, its minister, and I will be working on longer term home care policy.

I think we have to be careful that what we do is in fact to a very large degree an alternative to our present method of care. I say that because there have been indications to me from the Edmonton Area Hospital Planning Council that in fact many of the people who now are receiving home care would not be in an auxiliary hospital or a nursing home otherwise.

The decision to go into a nursing home, as we all know, is not solely a care decision. Sometimes it's a decision for both accommodation and health care. Sometimes it's a decision related to getting rid of a home and an estate and moving into a nursing home.

I think the hon. member makes some excellent points. The only real response I can make is, we have to consider the whole policy of home care. Is it to a large degree an alternative, and a lower cost alternative? Because we can in fact tack on a whole new level of care if it is not provided as an alternative, but as an addition, which is one of the questions I think we have to answer.

I believe an assessment of the Edmonton home care program is going on now in some of those terms.

I'm not sure we can simply say that because it's \$3 or \$4 — it might be \$3 or \$4 in addition to our existing health care system, if in fact it's not being provided to people who would otherwise be in beds. I think there's a major question we have to answer and then develop the longer term policy.

MRS. CHICHAK: Mr. Chairman, just on that point, I was really referring to those patients who by their choice would rather not be in the auxiliary hospital, but because they can only receive their medication and this service under supervision they must be there. But they really don't appreciate the environment in the auxiliary hospital or nursing home.

Very often there is an extensive age difference in the patients in the particular institution. The patients could manage very well on their own, but are there because that is the only means by which they can have the supervised medication and the very minimal kind of care they require.

I really don't relate that to the overall home care program as it is under the Department of Social Services and Community Health. I'm relating to the aspect that is under the jurisdiction of the Minister of Hospitals and Medical Care — that aspect of it alone.

MR. MINIELY: Well, there are a lot of potential solutions. I was trying to indicate that we cannot extend home care, as it sits now, through the hospital system. It is solely in Social Services and Community Health. So if there's a home care program in the community, it would be one potential answer. We still have to examine the question of whether any home care or no home care is extended through the auxiliary hospital or nursing home system in Alberta. Any of the hon. members' views, particularly the hon. member who sits on the Hospital Visitors Committee, would surely be welcome. We'd like their views as to what direction we go in that area in the future. But as it sits now, the policy is that home care is not extended through the hospital system.

Secondly, I believe that our effort in auxiliary hospitals now to provide day care — and that's expanding in the auxiliary hospital system — may be another desirable thing we should be doing. In other words, rather than keeping the patient in a bed in an auxiliary hospital and administering minimum care, we should be providing it through a capacity where the patient can visit the hospital on a day care basis. That's an area we're trying to expand in the auxiliary hospital system. I think we have to look at those two possibilities. The specific the hon. member mentions is the kind of thing we're going to have to look at and probably do something about.

DR. PAPROSKI: Mr. Chairman, most of my questions fortunately have already been asked and answered. I would like to take the opportunity to congratulate the minister for his comparative figures which well demonstrate how our hospital system is available to our citizens, and the dollars spent on that system.

I'd just like to make a number of comments to the committee, Mr. Chairman, and ask the minister if he'd like to respond to them. He doesn't have to at this time if he feels they can be responded to later.

The indication he has already put to the committee is that the hospital boards are certainly in a position to test their mettle with respect to their priorities. I

feel, and I think many citizens know very well, that there are many areas in a hospital where restraints can be applied before hospital beds are closed.

May I suggest at this time, Mr. Minister, that the Alberta Hospital Services Commission has a responsibility. I know they probably will exercise that responsibility to assist, advise, and offer definitively to hospitals where they can actually cut down in dollar costs and keep the beds open. The commission has a responsibility in this area because they are so close to the scene regarding budgeting, administration, and so forth.

I wonder if the minister would indicate to the House what percentage of patients in active hospitals at this time are chronic type — not in auxiliary hospitals or nursing homes, but in active care hospitals. I think this would give us a direction of what the minister should be doing.

I'm pleased the minister has indicated he is considering low-cost alternatives. I hope he is indicating there's going to be a subsidization of this out-patient and community care which is so necessary. I and many experts in the field feel the only way that will save dollars or maintain a dollar expenditure and provide streamlined co-ordinated top-quality care is to emphasize that area of community care. I wonder if he would indicate to the House whether he has considered a subsidization to people, if they stay at home and live with their relatives and friends, at the same rate, for example, that the government subsidizes a high capital expenditure of a nursing home or an auxiliary hospital.

Mr. Chairman, just one other brief comment. There was some discussion about quality care. It's an area difficult to define, and it has been debated by many experts. If we compare other provinces with respect to services and availability of services, with respect to quality and quantity, without doubt, we certainly stand at the top of the heap.

Mr. Chairman, if there is a need for a broad policy in the system, that need must be to maintain dollar expenditure wherever possible. The other one is to improve health care out of hospital, out of institution. I'm pleased the minister indicated to the prior member that he's considering this. I hope there is no delay in that consideration, because there are now two segments to health care: Social Services and Community Health, and Hospitals and Medical Care. That should be no excuse for delay, because this has been brought up repeatedly in this House, as the minister knows.

I hope he will look at this very carefully, because true quality health care is really health maintenance: very simply — and I know the minister knows this — early diagnosis, early treatment, rehabilitation, teaching, and prevention. There are many areas; for example: screening the entire population with respect to the percentage of cholesterol in their blood, which causes hardening of the arteries and cardiovascular diseases; screening the population with respect to blood pressure, a very simple mechanism.

If you want quality of health care and maintenance of health, Mr. Chairman, I suggest this is an area that just hasn't been scratched on the surface. Yet it would save countless millions of dollars, not only in prevention of morbidity, but also in keeping the people producing in our society.

The last example I want to give, Mr. Chairman —

and it's almost a comedy to any person versed in this area — is that I hear on the radio, I'm a soft egg, I'm a hard egg, I'm a boiled egg, I'm a scrambled egg. And drink more milk, it's good for you. Scientists around the world know very well that this causes a high cholesterol level in the blood stream, which in turn causes hardening of the arteries, cardiovascular problems, which is one of our major public health problems. Not causing a panic, Mr. Minister, but certainly there's got to be a balance in that, and it seems rather ridiculous to hear that.

So I would like to know, Mr. Minister, whether you really are addressing your mind to this. I hope you are. Is somebody working on this area of health maintenance at the earliest preventive level? Because I think our province has now matured in that area of health, so that we should be able to get on with health maintenance rather than just worry about a patient after he gets in the hospital — which is important in itself, but keep him out of the hospital.

MR. MINIELY: Mr. Chairman, I am very interested in lower cost alternatives, and I double underline "alternatives". That's what I indicated in response to the hon. Member for Edmonton Norwood. I think we have to make a careful assessment of whether in fact they are alternatives. I'm not sure any information I've seen — or the people who have been researching it for me — has a definite conclusion that they are yet alternatives. We don't know whether the criteria are the same. We don't know whether the controls are the same. We have to answer these fundamental questions before they are alternatives.

I'm also of the view — and I think the hon. Member for . . .

AN HON. MEMBER: Kingsway.

MR. MINIELY: . . . Edmonton Kingsway — he's a neighbor of mine, Mr. Chairman. But I'm also of the view that in the final analysis, in many areas the hon. member referred to, our community health will continue to have a lot to do with the medical profession in Alberta, the way it operates, and the quality of that medical profession in terms of diagnosis and other matters. I fully agree: I hope hospital boards in Alberta aren't cutting beds unnecessarily when other areas could be cut. Generally, I believe a responsible attitude is being taken, but I hope all of them do that and that it isn't being done unnecessarily.

I can't give the hon. member an estimate of the number of active treatment beds that might be occupied by chronic patients. I can only say that my general impression is that it might be fairly substantial. I don't mean over 50 per cent. I mean a reasonable percentage is long-term patients who should not be in active treatment beds.

Subsidized people who stay at home — I think as long as the control system ensures that that person would otherwise have access to our health care system. In Canada, let alone Alberta, I'm not sure that in the future we can afford to tack a whole new level of health care on top of what we've experienced in escalation. So we had better be pretty careful that it is an alternative. Again, double underline "alternative".

DR. PAPROSKI: Mr. Chairman, there's got to be one supplementary on that. I'm just not clear, and I want the minister to indicate to the committee so there's clarity with respect to his addressing his mind, his activities and policies with respect to lower grade alternatives. Is this an active pursuit at this time, or is this something five years down the line?

MR. MINIELY: I think it's indicative that that's one of the things we have to place definite priority on in terms of the policy development now for the longer term.

MR. SHABEN: Mr. Chairman, just a couple of brief comments and perhaps two questions.

First of all, I'd like to congratulate the minister for visiting my constituency and the hospital in Slave Lake and the one in High Prairie. I'd also like to acknowledge the assistance rendered by the minister and the hospital commission on some difficulties that we had in Slave Lake and in the development of the new health care complex in High Prairie.

Mr. Chairman, the two questions concern the position of the minister regarding 'regionalizing' hospital services in an area such as ours, where you have overlapping service areas, and whether the minister has considered having hospital boards work together in order to better serve a region where you have hospitals that are close together. In some cases there may be three hospitals, each with its own board. Has the minister considered recommending to these boards that they work together in order to serve their common area better?

The second question concerns an area a little further north. I'd like to know the current status of the northern health services board at High Level.

MR. MINIELY: Mr. Chairman, in reply to the hon. Member for Lesser Slave Lake, I think there's a great deal of misunderstanding about what is described as 'regionalization'. Basically, as I indicated in Red Deer, it will be our policy not to take away a level of care that's provided in a small community. It's our intention to maintain that. If we develop Grande Prairie into a regional hospital — which is our intention — or Red Deer into a regional hospital, it is largely providing the capacity to those smaller cities through decentralization from Edmonton and Calgary. It's not in any way taking away from the capacity of the individual smaller community hospital around Grande Prairie. It will continue to be able to do what it has in the past.

But I'm not sure we shouldn't be looking at questions such as strengthening relationships between one doctor in a small community and the medical staff of the regional hospital. I think we should all be making efforts to try to develop a relationship. Again, this is an area we were talking about with the hon. Member for Drumheller. We have to communicate accurately what it really means. In fact, it can improve the general level and quality of care that's available in an area of Alberta by improving the sophistication in Grande Prairie, Peace River, Red Deer, et cetera. But we have to communicate, because citizens tend to think that because we're developing a larger centre as a regional hospital it is somehow going to take something away from the local community hospital. That's not the case. It will

be providing additional sophistication closer to all citizens in the area who formerly had to come to Edmonton or Calgary. I think we need to communicate that.

Generally, I think the other thing is in the future. If we're going to make efficient utilization of the funds available to us, certainly communities in a natural health care serving area are going to have to plan and work more together. It's not mandatory, but we're trying to encourage the development of area planning councils in a natural health care serving area.

The function of the Northern Health and Social Services Board is the same. It's basically unchanged. It's a combined health and social service board. It's experimental. We have others. I believe Medicine Hat has a similar approach. It does require some further assistance and delineation for them, because they are frequently confused as to when they relate to the hospital system and when they relate to the social services area. But it's our hope to try to communicate better to them how they do this. Just the other day, I believe, I signed a letter of clarification of the northern health and social services, particularly Fort Vermilion and High Level, and indicated, trying to clarify for them, what areas of government they relate to for different things they are going to do.

MR. NOTLEY: Mr. Chairman, during his introductory remarks, the minister indicated that the discussion on 11 per cent predated the treasurer's announcement of this fall and, in fact, predated any discussion on the part of the federal government in developing its anti-inflation program. I think I'm summarizing the remarks made by the minister. The reason I did that is that I'd like to ask this very direct question: how long does the government envisage a restraint package applying — well, we're talking about hospitals tonight — to the overall program? Are we looking at a year, two years, three years, four years? I put that specifically to the minister with respect to hospitals in the province.

I think that's pretty important to answer, Mr. Chairman, because there are a number of other factors that fall in place once we know the answer to that question. For example, if I look back over the estimates, I see that in 1974-75 the financial assistance for active care was \$273 million. Last year that rose to \$370 million; in other words, an increase of \$100 million. I think most hon. members would know the reason for that increase. I'm almost certain a major part of it was due to catch-up settlements with nurses, nursing aides, the CUPE employees of hospitals throughout the province. I would guess that's the major reason for that \$100 million jump.

At some point we have to know how long this restraint program is going to be in effect. I would guess that percentage-wise settlements in the hospitals this year will be somewhat less than the overall settlements in private industry. If that's true, at some point down the road we're going to be looking at another catch-up settlement year where we're going to have to increase the budget substantially, well beyond 11 per cent. So that has a pretty important bearing on how long, in fact, the government foresees as a period for the present restraint policy.

I'd also like the minister to comment on the application of the 11 per cent increase. I understand the 8

per cent inflation factor plus 2.5 to 3 per cent for items such as 'annualization'. Mr. Chairman, what I am interested in is this 8 per cent figure. Does that include all the costs, including such things as hydro power, natural gas — increases which are going to be substantially above 8 per cent? If it does, then in actual fact the hospitals are going to have an awfully tough time living with 8 per cent salary adjustments. The only choice they can make is to cut staff, because the cost of natural gas and the cost of power will be going up by considerably more than 8 per cent this year.

This just follows from a question the member for Drumheller put. I wonder if the minister would perhaps describe, from the overall indices that the Hospital Services Commission has at the moment, what percentage of the operating costs of hospitals is taken up by some of these price increases that are really beyond our control at this stage. We have no real way of knowing what power rates will be. We know they are going to go up. Whether it will be 25, 30, or 40 per cent is something that's pretty hard for a hospital administrator to guess. As far as natural gas is concerned we will be shielded for a year, but even so, there will be a fairly substantial increase.

Another question I'd like to put to the minister concerns the issue of changing patterns of employment. This matter was brought to my attention by the Alberta Certified Nursing Aide Association. Their claim, quite frankly, after sending out questionnaires to various hospitals, is that they have evidence of at least 20 hospitals that have laid off certified nursing aides and replaced them with ward aides. Now the obvious reason for that is just simple economics. The difference is almost \$100 a month between a certified nursing aide and a ward aide. So the Alberta Certified Nursing Aide Association is concerned that the present restraint policy is causing a shift in employment patterns at hospitals throughout the province.

The other point I would ask the minister to comment on deals with where we will be three, four, or five years down the road. One of the points the Alberta Certified Nursing Aide Association brought quite forcibly to my attention was their concern about the impact of the present freeze on hiring by many hospitals on the employment prospects of the 350 to 360 graduates this year of the two major schools in the province. Obviously at this stage of the game, if we're laying off certified nursing aides, we have a surplus. But surpluses can evaporate very quickly and become shortages. In fact, if we have a period when graduates are not able to obtain jobs, there may well be a falling off of young people taking this training. Down the road we could conceivably find a shortage, unless job opportunities are found. It's pretty obvious at this stage of the game that hospitals in the province are not going to be able to hire anything like the full complement of graduates. Obviously, many would want to travel to other parts of the country, but I'm talking about the graduates who would like to stay in Alberta.

Those are the questions I'd like to put to the minister. One other specific question: how many hospital boards at this stage have appealed their global budget figure? I'd like to know that.

In general summary then, it seems to me that these questions as to employment patterns, whether sever-

al years down the road we're going to find ourselves with substantial catch-up settlements, to a certain extent are all tied very directly to the time frame the government is looking at, at this stage, for a restraint policy.

MR. MINIELY: Mr. Chairman, I can't tell the hon. Member for Spirit River-Fairview what future budgets will be. We're in a year of restraint which commenced in Alberta prior to the anti-inflation board; nevertheless we do have anti-inflation in place in Canada. We have an agreement — I believe my colleague the Minister of Federal and Intergovernmental Affairs said during question period today, it expires on March 31, 1977, and may or may not be extended beyond that period.

So as far as the specific creative restraint — the choice of words by the hon. Member for Spirit River-Fairview — I can't say today how long that period may be, other than the agreement that's entered into between the Alberta government and the federal government. There's no doubt in my mind that even if there is no restraint, our challenge is going to be to manage very carefully, in terms of the hospital system, for the next three or four years. We are going to have to assess priorities. We are going to have to assess lower cost alternatives, as the hon. Member for Edmonton Kingsway was indicating. We will have to manage on a priority basis better than we have in the past, and the annual escalation in our existing system will have to be managed and improved from what we have done in the past.

On the specific 11 per cent, the inflationary factor includes all costs, the 8 per cent. I would point out the boards are aware of this. They have assessed their budget in those terms and, Mr. Chairman, if the hospitals in Alberta are having problems living with increased energy costs — a small percentage of their budget in relation to salaries and wages — imagine what they have to do in Ontario and in other provinces in Canada where energy costs have gone up much more than in Alberta, something I think we have to bear in mind in relationship to that.

Changing patterns: again, individual hospitals are advising me generally that if they are replacing one category of staff with another category, this does not jeopardize quality of care. As the hon. Member for Drumheller said — I don't know, but perhaps changing patterns is not necessarily an undesirable thing in the hospital system. It's a decision the individual hospital boards, in terms of the level of staffing they require, will have to make; what staff will meet their requirements and what particular profession they need to employ.

I indicated earlier a couple of things with respect to the employment prospects of graduates. One was that in Alberta we will still offer relatively more opportunities for graduates than other provinces in Canada. But I didn't say one thing, and I think it may be important: I believe our registered nurses from university, our CNAs, and other trained nurses are well trained and don't have to be employed just in hospitals. There are employment opportunities other than in publicly financed institutions.

A year ago, when the medical profession indicated to me that they needed a much higher fee agreement increase than was arrived at, the 9 per cent, one of the arguments was that they could not compete with

the hospitals for nursing staff to be employed by a clinic. Well I think this might be desirable for some of our nursing graduates rather than simply looking at being employed in a hospital. Maybe they should be looking at being employed in a private doctor's office, which of course there are many of in the province of Alberta.

In addition, I tabled a letter today to the hospital board chairmen [indicating] that where they do require certain qualifications and where an Alberta graduate is available, we would like to see them give priority to the Alberta graduates. Mr. Chairman, I don't think we can do more than that while we're trying to get cost escalation under control.

MR. NOTLEY: How many appeals?

MR. MINIELY: Oh, I'm sorry. Forty-eight?

MR. NOTLEY: Fifty-eight.

MR. MINIELY: Fifty-eight. Fifty-eight appeals, and they've all been handled and communicated to the hospitals.

MR. NOTLEY: How many of the 58 appeals have resulted in significant budgetary changes in the allotment for the hospitals?

MR. MINIELY: I'm looking at an official sitting in the gallery. Forty of the 58 had some adjustment, some more major than others, but there was some adjustment.

MR. R. SPEAKER: Two questions to the minister. One, I don't think the minister mentioned building new hospitals in the coming year. That will be under capital expenditure. Maybe you could just comment on that.

The other, and this is specific, was the cost of the visitors' report on hospitals — the *per diem* paid to the members on this committee and the procedures they follow in reporting to the minister.

MR. MINIELY: Mr. Chairman, I'd have to report back on the specific budget of the Hospital Visitors Committee. It's not a large one. I believe the Hospital Visitors Committee retains one person on a full-time basis. There is some *per diem*, but I would have to get the exact amount for the hon. member, perhaps in a motion for a return if it's not a major matter.

If the hon. member examines the legislation, the Hospital Visitors Committee performs a general visitation throughout Alberta and makes comments to the minister. It's in the nature of an advisory committee, and basically the minister can call on them to visit a specific hospital or other health care institution where there is a specific problem that should be looked at and reported to the minister. The annual report is of the general visits made by the Hospital Visitors Committee. It is their general assessment and is not related to a specific hospital or health care

institution.

I think that's all I can say, Mr. Chairman. I'd be happy to provide the specific budget and *per diem* of the Hospital Visitors Committee, perhaps in answer to a motion for a return.

MR. R. SPEAKER: The other question was with regard to the number of new hospitals being built at the present time, committed this year.

MR. MINIELY: In the capital budget in the hospital field, Mr. Chairman, basically we are working on a figure of approximately \$50 million per year with some priority on smaller or rural hospitals and extensions. I believe that until such time as the planning of the individual hospital has reached the stage where it is within the capital budget — that's on a specific basis that's granted — and publicly goes to tender, specific plans relative to expansion of hospitals must be managed by the Hospital Services Commission and by the Ministry of Hospitals and Medical Care, rather than being a blanket indication of what hospitals are planning in different stages at this time. No hospital is actually going to be constructed until we are satisfied that the tender has come in at an acceptable figure. Until that time, it's strictly a planning matter.

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

[Motion carried]

[Dr. McCrimmon left the Chair]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration a certain resolution, begs to report progress, and asks 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. FOSTER: Mr. Speaker, I move this House do now adjourn until tomorrow afternoon at 2:30 o'clock.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at half past 2.

[The House rose at 10:13 p.m.]

