

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, May 8, 1978 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF BILLS**Bill 45**

**The Fuel Oil Administration
Amendment Act, 1978**

MR. LEITCH: Mr. Speaker, I request leave to introduce a bill, being The Fuel Oil Administration Amendment Act, 1978. The purpose of this bill is to enable persons purchasing fuel for which the farm fuel transportation allowance is payable to purchase both marked and unmarked fuel for domestic heating purposes.

[Leave granted; Bill 45 read a first time]

head: TABLING RETURNS AND REPORTS

MR. FARRAN: Mr. Speaker, I'd like to table the reply to Motion for a Return 139. I'd also like to table for the information of members a statement of March 22 on harmonious race relations in Alberta.

MR. CRAWFORD: Mr. Speaker, I'd like to table the annual report of the Alberta Human Rights Commission for the period ended March 31, 1977. In doing so, I might note that references to racism in Alberta, referred to in the question period on Friday, are not to be found in the report of the commission as filed.

MR. MINIELY: Mr. Speaker, I'd like to table an answer to motions for returns 131 and 132.

MR. FOSTER: Mr. Speaker, I'd like to file three copies of the annual report of the Public Utilities Board for 1977.

head: INTRODUCTION OF SPECIAL GUESTS

MR. DIACHUK: Mr. Speaker, I wish today to introduce to you and to members of the Assembly a class of some 27 grade 5 students from the constituency of Edmonton Beverly, from the Sifton elementary school. They are accompanied by their teacher Heather Higgs. They are seated in the public gallery. I'd ask that they rise and receive the usual welcome of this Assembly.

MR. LEITCH: Mr. Speaker, I am very pleased to be able today to introduce to you and to members of the Assembly 90 grade 9 students from Nickle junior high school in the Calgary Egmont constituency. They are

accompanied by their principal Mr. Holden, teachers Mr. Haerle, Mr. Scholz, Miss Maki, and Mrs. McWilliams, and one of the parents, Mrs. Harris. They are seated in both the members and the public galleries, and I'd ask them to rise and receive the welcome of the Assembly.

head: MINISTERIAL STATEMENTS**Office of the Premier**

MR. LOUGHEED: Mr. Speaker, members will recall a number of statements which I and my colleagues have made over the course of the past year with regard to the need for a new grain-marketing strategy for Canada in the 1980s. Members are also aware that Alberta, on the average, produces over one-third of Canada's grain crops. Members are also very much aware that the prosperity of Alberta's economy depends to a very large extent on its base industries of petroleum and agriculture. Within Alberta, the farm cash receipts from grain crops amount to approximately 45 per cent, and in the latest year of available data this totalled \$833 million. Mr. Speaker, members are further aware that Canada exports 75 per cent of the wheat it produces, 35 per cent of the barley it produces, and 50 per cent, overall, of its grain crops.

I am sure that members are knowledgeable that prices for these grain crops depend on world commodity conditions, primarily the ratio of demand to supply. If there are good harvests throughout all the grain-producing countries, inventories build up and prices decline in the commodity markets. Prices therefore depend, in the absence of an effective international grains agreement, which historically has never worked too well, upon the extent of excess inventory in grain storage throughout the world.

The major grain-exporting countries in the world are the United States, Canada, Australia, Argentina, and France. Canada's portion of the wheat-exporting trade is 22 per cent, and of the barley trade, 26 per cent.

It should be kept in mind, Mr. Speaker, that the grain-exporting countries do not equate with the grain-producing countries; for example, the Soviet Union only imports a small 5 to 10 per cent of its requirements.

The latest data available for the 1976-77 crop year indicate that Canada's market for wheat is broken down in the following areas: China, 19 per cent; United Kingdom, 11 per cent; other European Economic Community countries, 9 per cent; Japan, 9 per cent; the Soviet Union, 8 per cent; and other countries, 44 per cent. The projections for the current crop year indicate China will purchase 23 per cent of Canada's wheat exports.

Over the past number of years Canada has, in our view, been losing out in the grain trade in the European Economic Community, primarily to France. We've also been losing out to the Soviet Union, except in the years when they have a poor harvest, primarily to the United States. These losses have been offset by increased grain sales to China.

Mr. Speaker, as members are aware, all Canada's wheat and barley is sold in the export market through the vehicle of The Canadian Wheat Board that is

responsible to the federal minister for The Wheat Board, presently the Hon. Otto Lang.

At the first ministers' economic conference in Ottawa in February, I presented a sector paper on agriculture on behalf of all 10 provinces, which included in its conclusions the need for a grain-marketing strategy for Canada. This conclusion was included in the final communique of the conference, and required the follow-up by the first ministers.

Mr. Speaker, my colleagues and I feel that it is irresponsible for us to be complacent about our dependency for export grain sales to maintain the vitality of the grain side of the agricultural economy of Alberta and its impact upon the total economy of Alberta. We are interested not in the past but in the future. World conditions are dynamic and require carefully considered strategies to adjust and take advantage of these conditions. The world grain trade is very competitive, and there is an increasing degree of government-to-government involvement. The U.S./Soviet five-year grain arrangement is a classic example of this.

Mr. Speaker, under the Canadian constitution agriculture is a concurrent responsibility of the provinces and the federal government. We recognize that under the constitution, though, primary responsibility for international trade rests with the federal government. We reject the view of those, including some here, who do not agree with the position that a provincial government has a role, even more a responsibility, to continue to press the federal government on developing adequate world grain-marketing strategies. Alberta intends, on behalf of its farmers, to take a role of leadership in this regard. Our many international missions and visits have gathered for us a significant intelligence and awareness of possible future developments.

Mr. Speaker, members will recall my remarks in the Legislature on this subject on October 12 and November 9, 1977, and the undertakings I gave at that time. I would now like to make public an exchange of correspondence with the Prime Minister of Canada on this critical subject. I suggest that it is worthy of full consideration by every member in the Assembly. The first letter is a letter by myself to the Prime Minister of November 4, 1977. The second letter is the Prime Minister's reply of January 23, 1978. The third and final letter is my response on behalf of the government of Alberta to the Prime Minister's reply and resubmission of nine key recommendations in this area. I provided copies of this correspondence to members of the opposition this morning.

Mr. Speaker, I'd now like to announce that we are forming in the Executive Council a special task force of ministers, chaired by myself, and including the ministers of Agriculture, Federal and Intergovernmental Affairs, and Transportation, to follow up on this matter and press the federal government for action in an area crucial to Alberta.

head: ORAL QUESTION PERIOD

Grain Marketing

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Premier. It flows from the correspondence made available today, and deals with the

request Alberta made that Alberta have representation at the meetings between Canada and Russia which, I believe, were to come in February of this year. My question to the government is: did Alberta have representation at those meetings?

MR. LOUGHEED: Mr. Speaker, we did not resolve that matter, because those meetings were postponed indefinitely. The Minister of Federal and Intergovernmental Affairs is carrying a watching brief on it for the time when those meetings are reconvened. But they were postponed, I think, mutually agreeable as between the two countries. They were scheduled for — I can't remember the exact date — somewhere in late February, February 21 or in that area. They were deferred, and a date for them hasn't been established.

MR. CLARK: A supplementary question to the Premier, Mr. Speaker. Has the government of Canada agreed that Alberta would, at the very least, have a watching brief at those meetings and hopefully be able to take part in the discussions?

MR. LOUGHEED: Mr. Speaker, we haven't finally been able to resolve that matter with the federal government. We've pressed them, as the hon. Leader of the Opposition is aware, but we haven't had a final conclusion. It hasn't been either negative or positive to it. They've recognized our position and acknowledged it, but it hasn't been resolved.

MR. CLARK: Mr. Speaker, a question to the Premier. In light of the announcement made today, have the other two primary grain-producing provinces, Saskatchewan and Manitoba, been advised of Alberta's action? Secondly, are they taking a similar approach, or was the announcement by the Premier today an indication of Alberta saying, we're sick and tired with Ottawa's stalling and we're going to go it alone in this area?

MR. LOUGHEED: Mr. Speaker, first of all, I don't want to give the impression — perhaps it was read that way through the lines, but I didn't mean to present it in the view that, so to speak, to quote the hon. leader, we're "sick and tired" of Ottawa's inaction. We're concerned about the future. We are taking the initiative, though. I did raise it with the other western premiers at the meeting of western premiers. I told them generally what our positions were, and I've discussed them with them. I sent to them in advance of today, so they would have received this morning, copies of this correspondence. I'm not certain of their reaction, so only time will tell.

I'm not anticipating one way or another whether they'll be supportive of Alberta's initiatives or not. I would hope they would be. But we have taken the initiative in this area, not in concert with them but certainly in consultation, on the basis that if we succeed in moving forward in a number of areas, we would hope they would be supportive of Alberta's position.

MR. CLARK: Mr. Speaker, a further question to the Premier, dealing with the question of consultation. What kind of consultation was there with farm leaders in Alberta prior to the announcement made today,

and is the Premier in a position to indicate whether there is rather broad general support for the announcement the Premier has made today from farm leaders in the province?

MR. LOUGHEED: Mr. Speaker, from time to time various members of the Executive Council have had individual discussions with farm leaders. We called a meeting at 11 o'clock this morning of the leaders of the major participants in the grain trade: the Canadian federation of labor, Unifarm, Alberta Wheat Pool, UGG, some of the private operators involved. We had about a two and a half hour meeting, gave them an opportunity to peruse the correspondence, answered any questions they had about that, got some useful suggestions from them, and discussed it.*

As to their public position with regard to the matter, I can't say. Perhaps in due course they will be asked and will be able to respond. I certainly didn't detect any strong resistance to the position during the course of our discussion. Because of its nature, they naturally had some concerns in a few of the areas. That was the purpose of our discussion. But I might say we had a full and very useful meeting with these major leaders in the grain trade in Canada.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Premier. Could the Premier advise whether the special task force of cabinet that will be established will develop a strategy to put pressure on the federal government to have direct representation and participation in the General Agreement on Tariffs and Trade negotiations?

MR. LOUGHEED: Mr. Speaker, that will be one aspect of our involvement. As you know and as has been discussed in the House on a number of occasions, we have pressed extensively, both through the western provinces in our submissions, one of which involved a submission on agriculture on behalf of the western provinces — and as you note from the correspondence, we refer to the fact that although the GATT discussions are important, the International Wheat Agreement and discussions on grains that are going on concurrently are equally important. As the Minister of Agriculture said in the House, we want to be kept more fully informed as to those developments and will continue to press for it.

Of course the latest letter to the Prime Minister, which referred to the specific involvement with observer status, has not yet been responded to by the Prime Minister. As you note from the correspondence, though, in my April 26 letter I did advise the Prime Minister we'd be making this correspondence public today.

MR. CLARK: Mr. Speaker, a further supplementary question. Is the Premier now in a position to indicate what action this government task force will be taking? Is it the government's intention to report to the fall session, with regard to not only specific proposals but the responses we've had, primarily from the federal government, in this area?

MR. LOUGHEED: Mr. Speaker, I think that's most appropriate. We will certainly undertake to report during the fall. It may be possible that we can report publicly earlier. In any event, we would report in the

fall both the Prime Minister's response to the letter of April 26 and any other developments that occur. There could be a number of important ones during the summer break. We would undertake to respond and give a full report to the Legislature this fall.

MR. TAYLOR: A supplementary to the hon. Premier. Have the major points contained in your letter to the Prime Minister been discussed with the other wheat provinces in the west? Is there unanimity on these items?

MR. LOUGHEED: Mr. Speaker, I can't answer that affirmatively, because the correspondence was initiated by Alberta and up to today was in confidence between Alberta and the federal government; and in part, as I answered the Leader of the Opposition in an earlier question, since it was confidential communication to this point I didn't feel it was appropriate for me to make the specifics public.

As the ministers are aware, I did raise the matter at the western premiers' conference in Yorkton in general terms, along the lines of the parameters that were there at the first ministers' conference in Ottawa. But I did not go into the nine specific recommendations. As I mentioned, I've sent these documents to the other western premiers, in Saskatchewan and Manitoba, and I would hope they would respond positively over the next number of weeks.

MR. NOTLEY: A supplementary question to the hon. Premier relating to page 2 of the Premier's letter of November 4, where he indicates:

At this stage we tend to support the concept of the Canadian Wheat Board as the sole grain exporting agency for Canada

Is the Premier able to advise the Assembly why the phrase "we tend" was inserted in this document, in view of the traditional position of all three prairie provinces of support for the board as far as international marketing is concerned?

MR. LOUGHEED: Yes, I'd be happy to do that. We purposely used that phraseology because we feel that if there is an effective new grain-marketing strategy for Canada in the 1980s that follows through and supplements The Canadian Wheat Board's mandate by assisting them, under those particular circumstances the Canadian Wheat Board concept will serve as well in the 1980s. If, on the other hand, there's a complete rejection of all our suggestions to assist The Canadian Wheat Board, then of course we want to feel free to look at the concept of whether there can be some other approach in that direction.

But as we say in that particular letter, in the sentence following:

The concerns ... expressed are not intended to be a criticism of the performance of the Canadian Wheat Board Commissioners and are directed towards the future and not the past.

This government feels the best approach is the approach we use now with regard to The Canadian Wheat Board. That whole thrust of our approach is to support, assist, and back up The Canadian Wheat Board and not in any sense to replace its activities.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier, for clarification. Would it be a

*See p. 1078, right column, paragraph 7

correct assessment of the Premier's answer that at this stage the government of Alberta would not look favorably upon competition for international sales by the private grain trade with The Canadian Wheat Board?

MR. LOUGHEED: Mr. Speaker, not in exclusion of The Canadian Wheat Board's involvement. As the hon. member may or may not know, The Canadian Wheat Board on occasion has, on its own initiative, decided that in spot sales and in certain circumstances it's to their advantage to work through the private grain trade. We think there are benefits and advantages to that approach, and we endorse it. We endorse that sort of flexibility. Our involvement beyond the scope of The Canadian Wheat Board in the straight selling aspect would be a limited one, and one we would hope to work on in concurrence with The Canadian Wheat Board, as they have done in the past.

Edmonton International Airport

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Transportation. It deals with this question of expansion of terminals at the Edmonton International Airport. Has the federal government agreed in principle with the proposition developed by the Edmonton Chamber of Commerce where basically the air carriers would build the facilities, the federal government would make the land available, and the province of Alberta would be prepared to make funds available through the heritage savings trust fund, I believe in the vicinity of \$15 million?

DR. HORNER: Mr. Speaker, we've had some discussions with the Edmonton Chamber, but more importantly perhaps with the regional management of the Ministry of Transport, who are relatively far along in their planning for the International Airport in Edmonton. The consensus of those meetings has been that perhaps the best way we can accelerate the requirements at the International Airport is by dealing directly with the federal MoT. Discussions are going on at the moment with senior people in my department and the federal MoT. I think the Edmonton Chamber of Commerce might better direct its attention now to the question of parking and hotel accommodation at the airport. I think [with] those meetings, more latterly in the last two or three days, they now agree with that concept, provided the other one moves ahead.

MR. CLARK: Mr. Speaker, to the minister. The question was: has the federal Minister of Transport agreed with that portion of the proposal which really calls for the federal government to make the land available?

DR. HORNER: Well, as I've tried to indicate, Mr. Speaker, I think everybody is agreed that that concept, in an overview of the situation at the International Airport, is not one which would suit the present facilities and the renovations of those present facilities to make the maximum use of them. The \$14 million to \$15 million project being planned is an expansion of the present facility that would allow for both Canada customs and U.S. preclearance, then by other renovations more effectively to use some of the space that's not now being very efficiently used.

I think the carriers and the Edmonton Chamber, while I haven't spoken to them for the last three or four days, are generally in agreement that MoT is so far advanced in its planning and architectural design that it's a question of providing front-end money. Once I have some additional detail and some additional discussions have gone on between our senior people at both levels, I'll be making a proposition to my colleagues in cabinet.

MR. CLARK: Mr. Speaker, to the minister: not of course trying to speculate on what the recommendation to the Minister of Transport's colleagues might well be, but has a commitment been given to any of the groups that the Alberta government would look favorably upon perhaps making up to \$15 million available out of the heritage savings trust fund if the federal government and the air carriers, along with the interested people here in Edmonton, can work out an agreement?

DR. HORNER: Mr. Speaker, I think that depends on the agreement that's worked out. I don't believe we can commit heritage funds without some detailed knowledge of what in fact the project is going to be and, in addition, what the project is going to accomplish. Quite frankly, as I have indicated earlier, I think expansion of the present terminal is generally agreed to be the quickest way to get the kind of service we require at the Edmonton International.

MR. CLARK: Mr. Speaker, then to put it this way to the Deputy Premier: the government hasn't written off the possibility of making heritage savings trust funds available for the expansion at the Edmonton International terminal if a satisfactory arrangement can be worked out?

DR. HORNER: No, it hasn't written it off, Mr. Speaker. I would hope, though, that our involvement might in fact be minimal, because of the nature of the present building and its physical structure, which preclude, frankly, the idea of each air line having its own terminal. If we were going to do that, we should have thought of that 20 years ago when we set up the original one.

Grain Marketing

(continued)

MR. LOUGHEED: Mr. Speaker, on a point of privilege, I wonder if I could just correct — I've been told by the Minister of Federal and Intergovernmental Affairs that I [said I] met this morning with the president of the Canadian federation of labor and then listed a number of agriculture groups. It was the Canadian Federation of Agriculture, and I'd like the record to so show.*

Urban Transit Funding

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Deputy Premier and Minister of Transportation. It relates to urban transit funding. In August, 1974, the then minister announced a six-year program for urban transit funding. In view of the enormous lead time required to develop urban transit, particularly light rapid transit, where do things now

* See page 1077, left column, paragraph 2

stand in terms of the government's plan with respect to extending or developing a new urban transit fiscal sharing program with municipalities?

DR. HORNER: Well, Mr. Speaker, as the hon. gentleman is aware, the present program, if I could call it that, is in place for at least the next fiscal year, into 1980. My commitment to the urban communities has been that this summer we would be reviewing the urban assistance program in a variety of its factors, as to both the capital assistance to urban transit and indeed the deficit program as well, hopefully to have some kind of announcement later this year or early in 1979 as to an ongoing program so they can do their planning.

I would draw to the attention of the Assembly, Mr. Speaker, that part of the agreement with the city of Edmonton was that they would operate their north-east leg for a year and that we would have adequate evaluation of the operation of that leg so both they and we would have some appreciation of the direction in which we're going with the expenditure of very large sums of money.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Transportation. In view of the rather modest contribution by the federal government — I believe it's around 50 cents per capita — to urban areas for various kinds of urban transit, including rapid transit, has the government at this stage developed any policy with respect to the percentage of rapid transit that should be assumed as appropriate to be borne by the province?

DR. HORNER: Mr. Speaker, the hon. gentleman isn't quite correct. The federal contribution — they took three old programs, cut the amount of money available to the provinces, made them into one, and called it urban transportation assistance, based on the per capita grant per year over a five-year period; that is, \$2 per capita, which is \$4 million. That program, though, takes over the rail grade separation fund, in which we were spending much more than that just on our highways, both inside and outside urban areas, in any given year. So one can perceive that the federal assistance to transportation has been rather drastically reduced by this amalgamation of programs.

The question of the percentage that the provincial government should or would pick up has not been definitive, because the needs of our various urban areas vary a great deal; not only as to their actual needs, but the timing of those needs is also important, having regard to the fact that one city might be well ahead of the other in particular design and planning. That applies not only to LRT but to bridge construction, arterial throughways, and so on. So generally the cities have agreed with me that we could be flexible, that it wouldn't necessarily have to be that each city got so much money every year, but that they understood the problem and as long as they were assured they would be treated fairly over a period of time they were quite willing to go along with that flexibility. I think that says something for the leadership we have in our urban community.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Transportation. Has the de-

partment been able to assess or evaluate ways of assisting urban municipalities with respect to the purchase of light rapid transit equipment? It's my understanding that volume orders would lead to a substantial discount of approximately \$1.5 million. Has the department been actively engaged in assessing this question?

DR. HORNER: Mr. Speaker, that's part of the total overall assessment. As the hon. gentleman is aware, Calgary is now ordering the same type of cars as Edmonton. This will obviously result in some savings, not only in construction but in repairs and maintenance down the way. In addition to that the company involved has gradually increased the Alberta content of those cars until it's now over 40 per cent, which I think is a substantial step forward. So all those matters are considered in any policy we will be continuing with relative to urban transit.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. If I recall the minister's first answer correctly, he indicated that a policy with respect to the future will be forthcoming either later this year or early in 1979. With respect to the question of light rapid transit, is it the view of the government that we will require at least one year's operation of the current leg before the government will be in a position to make a decision with respect to where it stands on the development of city-wide light rapid transit networks in the two major cities?

DR. HORNER: Mr. Speaker, I hope the hon. gentleman recalls that this was a specific agreement between the city of Edmonton and the province relative to that year's evaluation. Now you can have a little flexibility whether that year is 10 months or 14, I think, depending on how long it takes to give us that evaluation and to ascertain the need, the usage, and the cost of the extensions that might be undertaken, bearing in mind that in the urban areas we have to have a balance of the various modes available.

Highway Patrols

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Solicitor General. What criteria determine the number of personnel for day and night patrolling of our highways outside city limits?

MR. FARRAN: For a specific answer to that, Mr. Speaker, I'd have to check with the commanding officers of the various police forces. But in general the criterion is the volume of traffic expected. We have been enforcing the law on the main highways on the assumption that if you can get people to obey speed limits and the highway code there, this sets an example they're likely to follow when they go onto the secondary roads.

The freeway patrol of the RCMP has had a lot of success in the six months it's been established. It naturally operates mostly between Calgary and Edmonton, because that is where most of the traffic is. The traffic begins to fall off at night, so naturally their patrolling is not quite as heavy at night as during the day.

MR. TAYLOR: A supplementary to the hon. minister. Is it the officer in charge of each detachment who determines whether there will be one or two men in the car, particularly on night patrols?

MR. FARRAN: Yes, it is, Mr. Speaker. I don't interfere with the day to day deployment of the police force. This is the responsibility, in the case of the RCMP, of Assistant Commissioner Wright of K Division, and within the two cities, Chief Lunney and Chief Sawyer. Generally speaking, the one-man patrol is not used in dangerous situations. But you can never be certain, these incidents can occur at any time of the day or any place in the country.

Purple Gas Regulations

DR. BUCK: Mr. Speaker, in light of the fact that after seven years the government seems to have discovered agriculture in this province ...

SOME HON. MEMBERS: Oh, oh.

MR. NOTLEY: Better late than never, Wally.

DR. BUCK: I'd like to say, Mr. Speaker, their polls must indicate what we've been trying to tell them for the last four years.

MR. DIACHUK: Now for the important question. [interjections]

DR. BUCK: In light of the fact that my phone has been ringing and I'm sure some of the other rural members' have been, the question has to do with purple fuel, Mr. Provincial Treasurer. Can the minister indicate what instructions have been sent to the bulk agents indicating who can and cannot buy purple fuel?

MR. LEITCH: Mr. Speaker, I'd have to check on all the communication that's gone on between the officials of the department and bulk agents. I'll do that and report to the House later

Tax Discounters

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Consumer and Corporate Affairs. It stems from the federal legislation recently passed that prevents tax discounters from charging over 15 per cent for filing returns. The minister indicated in the House on March 22, I think, that he was assisting some of our community groups. I'm thinking of the universities or credit unions. Could the minister indicate what amount of money was paid to these community groups to provide this assistance?

MR. SPEAKER: It would seem to me that this is a question very much fitted for the Order Paper. So far we've had two means of asking questions: one in the question period and the other by written questions. Lately we've been getting into a third one, which is often called the "ballpark".

DR. BUCK: Because the ministers don't know.

MR. MANDEVILLE: A supplementary question then, Mr. Speaker. Could the minister indicate if he'll be providing more funds to some of the community groups involved in providing this service at the present time?

MR. HARLE: Mr. Speaker, I haven't got the exact figures at hand. Whether or not they would be considered in the future, of course, would depend on whether or not they apply. Two groups, one in Edmonton and one in Calgary, have received grants.

Health Care — Age of Consent

MR. R. SPEAKER: Mr. Speaker, my question is to the Attorney General. It rises from a conference this last weekend with regard to the recommendations of the Institute of Law Research and Reform with regard to consent of minors to health care. I wonder if the minister could indicate whether the government is considering lowering the general age of consent to health care to 16 years of age.

MR. FOSTER: Mr. Speaker, I think that question might more appropriately be directed to my colleague the Minister of Social Services and Community Health.

MR. R. SPEAKER: Mr. Speaker, I would like to so direct that question.

MISS HUNLEY: No, we're not considering any legislation at this time, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, could the minister indicate whether there is any consideration of allowing for a general consent without any age limit in legislation?

MISS HUNLEY: We've paid a great deal of attention to the recommendations of the Institute of Law Research and Reform. As a matter of fact, the hon. Member for Macleod did bring forward a resolution, and I listened with interest to it to get some direction from members of the Legislature. I thought perhaps it would be very useful in giving instructions to the department. Sad to say, Mr. Speaker, I didn't receive that kind of indication from members to give me some firm direction, and I've asked the department to cease consideration of legislation pending a more firm direction perhaps from my colleagues or perhaps from the people of Alberta.

Kananaskis Park Project

DR. WALKER: Mr. Speaker, my question is to the Minister of Recreation, Parks and Wildlife. The Indian people have been expressing a concern that the development of the Kananaskis Park area may limit their traditional hunting and fishing rights in that area. Has the minister made any provision for the native people to continue their pursuits when the park is finally developed?

MR. ADAIR: Mr. Speaker, as I said in my estimates some time ago when that question was raised, almost specifically, in fact Kananaskis prime park would be the same as any other provincial park and would not have hunting, but Kananaskis Country itself would

carry on with normal hunting traditions. I also pointed out that until the early '50s the Kananaskis area was part of Banff National Park and, as such, was a sanctuary, so historically it didn't have the hunting traditions of the area — it was since the '50s and into the late '60s that it did have that hunting — and that there would be continued hunting in Kananaskis Country, but not in Kananaskis prime park.

ORDERS OF THE DAY

MR. SCHMIDT: Mr. Speaker, on a point of privilege, may I have the opportunity to remind all members of this Legislature that today we celebrate the thirty-third anniversary of VE Day, the start of the total freedom we exercise and enjoy today.

head: GOVERNMENT MOTIONS

16. Moved by Mr. Moore:

Be it resolved that this Assembly approve and support the Alberta government's action in seeking ways to improve Canada's grain-marketing strategy, so as to improve net farm incomes for Alberta farm families.

MR. MOORE: Mr. Speaker, in 1779 Peter Pond, a fur trader, was credited with being the first white man to cultivate the soil of what is now Alberta. Before the middle of the nineteenth century wheat was grown in missions around Lac La Biche, Fort Vermilion, Lac Ste. Anne, and St. Albert. Since that time our farmers have faced many challenges: the early problems of land development; the problems and difficulties of seed-borne diseases, insects, rust, grasshoppers; problems that individuals in this Assembly, like our friend from Innisfail, probably remember better than most of us; problems of soil fertility, the dust bowl of the 1930s, wind and water erosion; entire crops wiped out by hail; crops that were lost to frost because we had late-maturing varieties; in addition, problems of markets: where to find them, how to get the product there, how to assure ourselves of a reasonable return.

Over those many years, Mr. Speaker, we've accomplished a great deal. Most of our land base in this province, indeed in western Canada, is developed. What is yet to do will be done by modern machines, modern technology. We could not afford to develop a land base, we could not afford to develop an acre of land today, if we used the methods of 40 years ago. We've moved to the development of new varieties of grains which are rust-resistant, higher yielding, early-maturing. We've moved to the development of chemical and biological control of insects and other pests which prey on our grain crops. In that field we're far advanced compared to years past.

We've developed the use of fertilizers which can produce yields of cereal grains that are double what we would do without them. Our plant scientists have developed new and early-maturing varieties of many of our cereal crops. In the field of transportation, we're moved from the six-horse 80-bushel wagon of 30 and 40 years ago to a modern farm truck that in many cases hauls 1,000 bushels or more, over a

growing network of paved secondary and primary highways throughout this province.

In short, Mr. Speaker, we've overcome a lot of obstacles to reasonable net farm income and a standard of living that our young people on farms today are beginning to expect. However, this afternoon I'd like to have a look at some areas where I think we can improve when it comes to overcoming obstacles; to have a look at marketing, at marketing strategy; to ask, first of all, the question: what does marketing mean? Does it mean simply transporting our product to a market for whatever price is offered there? Does it mean selling domestically or in the world at whatever price we are offered at whatever time of year? Does it mean planning only for 1978 or 1979?

No, Mr. Speaker, I suggest to you it means a lot more than that. As one large corporate entity described it to its sales force: marketing means building an effective demand for your product, a demand which will bring all of us profits over a longer term, a demand which will allow us to continue production at our present level and look forward to expansion.

Mr. Speaker, all of us can remember the effects of a lack of an effective marketing strategy during the late 1960s. I don't know how many people know that in 1970, the year before this government came to office, the value of wheat production in Alberta was lower than at any other time since the great Depression of the 1930s, so low in fact that it was slightly more than half the value of wheat production in the province of Alberta in 1920. Why do we need to be reminded of these facts? Partly, I suggest, because I don't believe we had an effective plan in the 1960s to deal with the depressed market that occurred in the latter half of that decade.

I suggest we probably don't have a plan to deal with what might occur in the 1980s. Some 20 years before this report of The Canadian Wheat Board for the year 1976-77 was issued last week, the lakehead price of No. 1 northern wheat was \$1.62 per bushel. Now, 20 years later, the average received in 1976-77 was \$3.19 per bushel. For those who are talking about the mammoth achievement in the current crop year and the past one, of moving record quantities of grain: stop and think about those prices. Stop and think about what's happened to the cost of production. In 1978 it's 2.7 times what it was in 1957. If you do a little arithmetic, it isn't hard to calculate that the price of wheat today should be in the neighborhood of \$4.40 per bushel to bring the same kind of return that farmers enjoyed 20 years before the crop year this annual report covers.

What does that relate to? When you look at close to 900 million bushels of wheat moving out of western Canada in the crop year we're referring to, we're talking about more than \$1 billion to the western Canadian economy. I don't want to suggest for one minute that we could have achieved that in the depressed market we've had in the last two or three years. But if we don't try, if we don't take every possible initiative, if we sit back, and be comfortable in our pew, that we're selling regardless of price, surely we don't have anyone but ourselves to blame if the 1980s bring us another problem like we had in the late 1960s.

Mr. Speaker, I don't know how anyone, in this Assembly or outside, can suggest that everything is well and that nothing more can be done. Certainly

they can't suggest that if you go back to my earlier definition of marketing, which simply doesn't mean moving grain at any price. Not at all. It means moving grain at a price that, over a longer period of time, will return to farmers enough to cover their input costs plus a reasonable return.

Mr. Speaker, the need is here today for us to push hard through this Legislature, throughout this province and Canada, for an effective, aggressive marketing strategy for the 1980s. There's never been a better time, never a better case for considering a long-term grain-marketing strategy that will serve us over the decade ahead.

Mr. Speaker, the Minister of Transportation has dealt a number of times in this Legislature with the problems within this country with respect to grain transportation: the railroad system, the port system. If he has an opportunity, I know he would want to make further remarks today. For my part, in opening this debate I want to refer to the nine points made in the Premier's letter to the Prime Minister of Canada, on April 26 of this year; refer to them in the sense of explaining the reasons we're involved in making those points, to expand upon some of them, and hopefully to leave this Legislature with some concern that all of us need to have.

First of all, the International Wheat Agreement — the matter was raised again today in the question period. I want to go back to the late 1960s. We had an international wheat agreement at that time, and I think the government of Canada, The Canadian Wheat Board, and others need to be commended for trying to ensure that that agreement stayed in place. But by doing so a lot of dollars were lost. We tried to uphold the price while others were bringing the price down to what market conditions were. As a result, during the 1969-70 crop year it cost us more for storage and interest charges on every bushel of barley sold on the export market than farmers actually received for it. That's history. We don't really want to talk about history but about the future.

But it outlines to us a fact I mentioned in this Legislature earlier in this session: we're not sure an international grains agreement can be developed that will have some positive benefits for Alberta farmers. Surely we're better off with no agreement at all than with an agreement that puts in place a system where, because of some uncontrolled reserve stock situation, we always have a floor price and never have an opportunity to expand in years of shortages. Surely it's important that a province like ours, that has so much at stake in grain marketing, have an opportunity to observe the kinds of talks going on, early preparatory talks in London and later in Geneva. Surely it would be helpful to the government of Canada, in the manner in which they intend to enter these negotiations and proceed through them, to have some support, some advice if you like, and some consultation with any province in this country that produces grain to the extent we do in Alberta; hence the very clear need, in our view, recognizing the federal government's constitutional responsibility, to be observing, offering information, and assisting in the international grains arrangement talks.

Mr. Speaker, we move then to the matter of the minister at the federal level charged with the responsibility for The Canadian Wheat Board. I hope no one is misconstruing that comment to mean any lack of

faith in the job being done by the present minister responsible for The Canadian Wheat Board. But surely when we have such an important part of the western Canadian economy dependent upon world export grain sales, it's time, in the size of the cabinet there is in Ottawa, that one individual have the opportunity to do nothing more than assure us of a long-term strategy for grain sales, assure us that the federal government indeed has its ear to the ground at all times with respect to sales of wheat and feed grains abroad.

A year ago in June, the hon. Premier, I, and others met with three or four ministers of the Union of Soviet Socialist Republics and followed up with a meeting with Premier Kosygin. We talked with Mr. Kosygin about why the Americans had been able to negotiate a five-year grains arrangement with the Soviet Union from the period 1975 through 1980. We were anxious to find out whether they were agreeable to that kind of thing, whether they got levered in, or really what had happened. But I recall so well his first comment on answering that question. He said, they were over here talking. You know, he really didn't have to give any more of an answer than that.

I was a little surprised, Mr. Speaker, in being told in the Soviet Union by more than one minister of that government that it was the first time they'd ever had an opportunity on their soil to talk with a Minister of Agriculture from Canada, federal or provincial; a little surprised that at that level, with the importance that's attached to grain sales to that country and others, we don't have at the elected level in Ottawa, an ambassador who would be in the Soviet Union, in China, in many other countries, assisting not only The Canadian Wheat Board but the private grain trade. Perhaps not assisting them in signing deals and making arrangements for shipment and that kind of thing, but certainly assisting, as I think we did, in bringing about a better understanding of the needs and requirements of each country.

I read a news release, Mr. Speaker, where Mr. Bergland, Secretary of Agriculture in the United States, will visit the U.S.S.R. from the 7th to the 16th of this month — in fact, he's there today — for major agriculture trade discussions with the ministers of foreign trade, agriculture, and procurement — the very same individuals Premier Lougheed and I met with a year ago this coming June — bilateral consultations on the U.S./U.S.S.R. grain agreement.

I move from there, Mr. Speaker, to the matter of our request for marketing reports, and our request as well for the establishment of a board of governors or some such entity with respect to the operation of The Canadian Wheat Board. The question is asked of me — it was asked this morning and yesterday — why does the Alberta government need or want to be involved? Very simply, we need to be involved because of the tremendous number of people in this province who depend either directly or indirectly on the grains industry — the tremendous number of people and their families.

The major emphasis in Alberta Agriculture for years, as I said earlier, has been production-oriented. Extension services to provide information about better yields, disease control, and insect control have all been in place for a good many years, and an excellent job has been done.

In the last six years we've moved into a lot of new areas: \$200 million on irrigation development and expansion, a host of services with respect to soil testing and fertility; involvement like there's not been before in transportation services, both within this province and nationally; as I indicated last Friday in the question period, some \$80 million in ADC loans and guarantees in the last fiscal year to farmers throughout Alberta. Last year we had 22,000 farmers covered by all-risk crop insurance; we announced \$10 million from the heritage savings trust fund for agriculture research, putting us as a provincial government on almost the same level of agriculture research as is provided by the government of Canada; hail suppression programs that don't exist anywhere else in Canada.

Mr. Speaker, the investment this government has in the grains industry in ensuring that people are able to carry out a good degree of production with all the tools that are necessary today is second to none in Canada. And if for no other reason, in planning the kind of initiatives we are in this area, we need to know what is happening in the field of marketing. We need to have the knowledge that The Canadian Wheat Board and federal government agencies have, for example, with respect to the prospects for white wheat that the Premier talked about when he was in Iran. Surely we need to know whether in fact the long-term outlook in those countries is for continued purchasing of white wheat. If we know that, we'll be able in this province to direct some considerable amount of our research funds to the development of better varieties of white wheat that won't sprout in the swath and, if we can, try to do away with some of those other problems.

But if we don't have the knowledge that can be gained, even though it may come to us in a confidential way from quarterly or semi-annual reports from The Canadian Wheat Board, then it's very difficult for us to take the responsibilities we think any government should take in a province that produces over one-third of this country's grain.

Mr. Speaker, we move from there to the area of GATT negotiations. Since the Premier tabled the report of our submissions to the government of Canada some two years ago, we've talked a great deal in this Legislature about our view with respect to the General Agreement on Tariffs and Trade. We think Canada has left itself for too long in a position of having traded off agriculture for other segments of our society. When the U.S.S.R., China, and some other countries who are major or minor buyers of grain are not even in the GATT discussions, when we see that the Secretary of Agriculture in the United States is in Moscow today having bilateral talks on grain, surely it's incumbent upon us to suggest to the government of Canada that we need to emphasize bilateral discussions on grain as well.

We know the GATT negotiations are slowing down and it may be some time before all the negotiations on agriculture are concluded. Quite frankly, our view is that if we have to wait until those negotiations are finished to have an opportunity for some input to an effective international grains arrangement, so be it. It would be better to do that than to rush headlong into an arrangement which in the end would not be of assistance to our farmers.

Mr. Speaker, I want to move as quickly as I can to

the matter of trade with the U.S.S.R. In the Premier's letter of April 26, we suggest Canada should be having a look at encouraging the purchase of farm machinery from the U.S.S.R. Now that isn't meant to mean that's the only opportunity. It does not suggest that as a country we're going to go and buy hundreds or thousands of tractors and try to resell them. Not at all. What it means is that in our visits to the U.S.S.R., in talking with the three ministers I mentioned earlier and with Premier Kosygin, in every case during the discussion there was an underlying feeling, and many times the direct comment: what do you buy from us? I recall the minister of foreign trade was leaving shortly after we were there last June for a two-week trip to the United States in terms of economic co-operation with that country. He wondered aloud why we didn't have the same kind of discussion of economic opportunities between Canada and their country. Premier Kosygin himself said, we'd like you to buy more tractors. Well, our response was, we live in a free-market economy in Canada; when you can build the kind of machinery that our farmers want, service it, supply parts, and establish a dealer network, we'll be welcome to help you.

I think Canada needs to try to review with the U.S.S.R. all possible areas where trade might flow both ways. It may well be there are areas we haven't even thought of, or areas where we have more expertise than anyone else. For example, oilfield development, the expertise and technology built up in this province are probably second to none in the world in many areas. Surely we as a government should be talking to the U.S.S.R. about the kind of deals that could be made if we were able to provide them with some technology for a long-term assuredness in their market.

Finally, the subject of who we should be talking to in the U.S.S.R.: when we met with an organization called Exportkhleb, basically a buyer of grains throughout the world after orders have been issued to that organization to purchase, we did not detect any degree of concern about whether or not Canada was purchasing anything from the U.S.S.R., or whether or not we had a favorable trade balance. But it's not unreasonable we didn't detect that, because the purpose of that organization is not to deal in foreign policy, not to deal in matters of balance of trade, but only to buy good-quality grain at good prices with assured delivery.

Mr. Speaker, that's the reason it's very difficult to accept from anyone who has been involved in that export market a *carte blanche* statement that all we have to do is deal with their marketing agency, Exportkhleb, and that The Canadian Wheat Board in Canada is the only one that should be involved outside our boundaries with the marketing of grain. Surely the matter of foreign policy with respect to China and the U.S.S.R., matters of balance of trade, matters that are totally outside the jurisdiction of The Canadian Wheat Board, are important factors that need to be dealt with at the highest political level on many occasions. They need to be dealt with not by the Premier of Alberta and me, who are visiting the U.S.S.R. basically on a good-will and fact-finding mission; they need to be dealt with by those who have the constitutional jurisdiction to discuss foreign policy, balance of trade, and those matters obviously of concern to any country which makes vast purchases as those countries

have in the last few years.

Mr. Speaker, I might talk briefly about competition in the grain market, credit, transportation, storage, and food-aid programs. All those things are important to any marketing strategy. This morning we got into a discussion about CIDA, whether or not the Canadian International Development Agency, in providing food aid to various countries throughout the world, said: we'll provide you with so much aid, but would you make your purchases from us? Quite frankly, the answer we got seemed to be that CIDA, basically a food-aid agency, operates separately from The Canadian Wheat Board or from the initiatives of the Department of Industry, Trade and Commerce. We in Alberta don't have any quarrel with that. But surely if there's an opportunity to shore up our export markets by ensuring that those who take our food aid come to Canada first when they have dollars to spend — on a per capita basis I don't believe anyone in the western world provides more food-aid dollars than this country and this province. Surely we're entitled to expect we would have an opportunity to be first when those nations are in a position to purchase a product we have.

Mr. Speaker, I'd like to conclude by saying, yes, there is a need for a special conference on grain marketing in this country. There is a need for the Prime Minister to chair a conference with the participating provinces and a number of those people who are important in the grain industry in this country; to sit down and see if at the very least we can improve upon what we're doing today; to assess what we're doing today, to be critical of ourselves, and not look at the past but at the future.

Mr. Speaker, as indicated in the Premier's April 26 letter to Prime Minister Trudeau, we are distressed with complacency. Our concern is with the future, not with the past. In conclusion, it's my hope that all of you in this Legislature are concerned with us.

Thank you.

MR. CLARK: Mr. Speaker, I am sure there isn't a member of this Legislative Assembly who isn't going to support this resolution. I'm also sure there isn't a farmer across the province who wouldn't support this kind of resolution.

To a very great degree this is similar to the resolution my colleague from Brooks had on the Order Paper last week, a kind of resolution which deals with the basic farm income situation we have in this province. My colleague alluded to the problems young farmers have trying to acquire agricultural land. He suggested to the government and members of the Assembly that we should be making use of heritage savings trust fund moneys at low interest rates to young farmers. Today we're dealing with the development of a Canadian grain-marketing strategy.

I want to say to the Premier and to members of the government that we appreciate the courtesy extended to us in making available copies of the correspondence prior to this afternoon.

Mr. Speaker, I wouldn't want the government or the people of Alberta to look on my response this afternoon as a complete response to the government's correspondence with the Prime Minister, nor to the announcement this afternoon. Quite frankly, I was somewhat surprised at the announcement made this afternoon, that the government wasn't proposing

more initiative at this time than the establishment of a task force or a cabinet committee. I had somewhat higher expectations than that.

In fact, one of my colleagues and I were talking before we came into the Assembly. We were very hopeful that in addition to making the correspondence public perhaps the Minister of Agriculture was going to outline to the Assembly how the government planned to move toward the \$6 price per bushel of wheat he had talked about earlier during this session. That would have been a help to the discussion, but it also would have been a far greater help on this question of net farm incomes for Alberta farm families.

Mr. Speaker, sometimes — and I suppose my voice sounds like it today — I think I have been involved in this Legislative Assembly too long. I look back at a presentation made to the government of Canada in 1969. It was entitled *A Case for the West*. I think I should bring forward three or four parts of this *Case for the West* this afternoon, so members of the Assembly have the opportunity to reflect on what's happened in nine years, close to seven years of Conservative administration in this province.

At a federal/provincial conference in February 1969, under the topic of fair representation and national discourse, the government of Alberta said, and I quote from page 18 of the brief:

We need, and desire, more equitable representation on Federal Government boards, commissions, task forces and so on. Even this will not bring us positive returns unless there is also an effort [on behalf] of the Federal Government to consult with us . . . more freely and much more readily than [they have] in the past.

To a very great degree, Mr. Minister, the concerns you've laid before the Assembly this afternoon, the concerns the Premier outlined in his letters to the Prime Minister, result from a lack of the federal government being prepared to change its ways over a period of many years, a lack on behalf of governments — provincially, the former Social Credit government and this present Conservative government both being unable to convince the federal government of the need to make some of the changes that were seen back in 1969, and I'm sure long before that. But that was a presentation made to a constitutional conference by the Premier of the province of Alberta at that time.

While I'm referring to that particular document, for the benefit of members I'd also like to refer to page 11. So often we talk about this question of tariffs and freight rates. Back in 1969 the province of Alberta asked the federal government:

We would therefore ask the Government of Canada to remove these inequities [in the areas of tariffs and freight rates]. For example, we would suggest the appointment of a Commission on tariffs and freight rates to examine our problems and to recommend solutions.

Albertans await with interest to see if the problems of Western Canada provoke as positive a response as the problems of Canadians in other regions.

Today we're almost back at that time. I could refer members to page 11 of the same brief, where it talks about the need to move on the Prince Rupert project. I don't say the presentation made to the government

of Canada in 1969 was perfect. In retrospect it had several shortcomings. But in those areas, it deals with much the same matter we're dealing with here this afternoon.

Mr. Speaker, with regard to the propositions put forward by the government of Alberta, by the Premier in his letters to the Prime Minister, I must say I am mystified and can't understand why the Prime Minister of Canada isn't prepared to share with the government of one of the three wheat-producing provinces the kinds of information asked for from The Wheat Board. That's a reasonable suggestion. With regard to the question of representation on The Wheat Board, I can remind members that in 1969 there were specific talks between the governments of Alberta and Canada.

Unfortunately it looks like we haven't been able to get the message across to Ottawa at all from 1969 to 1978, at least to the politicians in Ottawa. We think it was a reasonable proposition in 1969, and we think it's a reasonable proposition in 1978. If passing this resolution here in the House this afternoon is going to help convince the federal government, whoever that government is going to be after the next federal election, then we're certainly prepared to support the government on the resolution before the Assembly this afternoon.

Mr. Speaker, I think one should also look at some other rather interesting observations. When the Government House Leader announced Friday in the Assembly that we were going to be debating this question before the Assembly, really a grain-marketing strategy and Alberta's input to such, I went back and looked at the first position paper introduced in this Assembly by the present government. That was the position paper, A New Direction for Alberta, March 14, 1972, introduced by the Minister of Agriculture, that established the Alberta Grain Commission. I'd like to refurbish the memories of Members of the Legislative Assembly, because I think it's important. The now minister — and I mean that as a good term — the present Minister of Agriculture was one of the members of the Alberta Grain Commission. This is their summary of the situation in Alberta at that time. I'm quoting from page 2, the first two paragraphs. This is from the position paper on grain tabled by the now Deputy Premier:

By and large the industry [in Alberta] is in a relatively healthy [shape], yet nevertheless plagued by instability in inputs and price. Production problems are well under control and indeed it is true that production of all field crops [can] be increased almost at will.

The pressing problem is one of marketing Alberta grain

Now this was tabled in the Assembly in 1972, and it is reflected in the great instability of prices of coarse grain sold in the province to feedlots, feedmills, and other off-quota buyers.

Mr. Speaker, I commend the government for its foresight in 1972. But the point I want to make today, both in the Assembly and outside, is that what we're attempting to do is to move the government of Canada in the direction of a national marketing strategy. Many of the points covered in the letters of the Premier and the Prime Minister are valid. I've already said we support the idea of information being made to Alberta. If we encouraged the idea of Alberta having

a member on The Canadian Wheat Board in 1969, it's obviously a reasonable proposition in 1978.

Mr. Speaker, with regard to the question of the GATT negotiations, the fact they're now slowing down, and the comments made by the minister: I think that was an accurate assessment of the information we have had, and we would support the government in that particular area. But I would remind this government that getting into this whole area of foreign trade, and the Minister of Agriculture accepting on face value everything he may have been told when he was over in Russia, has some hazards too. In the past in this province we have been involved with the Alberta Export Agency, and we took everything on the surface there. I simply say to the Minister and the government that in the course of these negotiations and the visits with various companies in those countries, remember that they're selling something to us just like we're trying to sell to them.

Mr. Speaker, with regard to the Prime Minister's suggestion of convening a conference: if the conference could be held with the same spirit that was evident at the federal/provincial conference in the early part of 1978, I think such a conference would be helpful. I can't understand why the Prime Minister hasn't chosen to follow up that suggestion, other than that the suggestion may have come from someone in a different political party. Given the federal political situation at this time, that may be a factor.

Let's come back and read the motion once again:

... seeking ways to improve Canada's grain-marketing strategy, so as to improve net farm incomes for Alberta farm families.

I believe the propositions put forward by the Alberta government would go some distance toward helping develop a grain-marketing strategy for Canada. We support those. We may quibble on some of the details, but basically it's a step in the right direction. I should point out to the government, though, that it's a road where progress in the past has been very slow. This resolution — and I hope it will be unanimously approved by members on both sides of the House — may enable us to move somewhat faster, both provincially and federally.

I come to the last portion of the resolution: "... so as to improve net farm incomes for Alberta farm families." Let's not give our farmers the impression that this is going to happen in the very next period of time. I hope it does. I farm myself, and you have to be an optimist to be a farmer. But it seems to me, Mr. Speaker, that in addition to what we're trying to do here on the grain-marketing strategy, we should remind the government of the comments made by my friend from Little Bow about lending money to young farmers in this province at low interest rates. We should also remind the government once again about the desirability of royalty-free energy for agriculture in this province.

I would like to pass on just one additional suggestion, that we look at the idea of on-farm storage within Alberta. I'm not one hundred per cent sold on the idea of on-farm storage in Alberta. There are some real problems from the standpoint of administration. All one has to do is go back and check some of the things that happened when such a program was enforced in the United States. But during periods when the international market situation is not good, The Wheat Board or some other agency could

purchase grain from Alberta farmers and leave that grain in storage on the farms. You would have a large amount of additional storage capacity, and you would be paying the storage to the farmers.

I'm not suggesting this is by any means a solution to the whole problem. But one thing in this solution that does appeal to me is that we could do it here in Alberta, in co-operation with The Canadian Wheat Board, I'm sure. I admit it's difficult to administer, but it is something we should seriously look at, to enable our farmers, on a short-term basis at least, to be better able to live through the valleys that so often have appeared in the international grain market in the past. So, Mr. Minister, I hope you would look at the proposition of an on-farm storage program, which would enable The Wheat Board to acquire the grain and pay the farmers for their storage, to get the money into the hands of farmers earlier, albeit there are problems.

Also, Mr. Minister, in light of the last portion of the resolution that deals with the net income of farm families, when you conclude the debate you might talk just a moment or two about this question of \$6 wheat for domestic use. When we're talking about net farm income to those people in the coarse grain business in Alberta, especially in the wheat business, if you're serious about \$6 per bushel as a domestic wheat price, then I think the details would be of extreme interest not only to us in the Legislature but to farmers across this province.

Mr. Speaker, as I indicated earlier, I wouldn't want members of the Assembly to consider this a complete response to the initiatives announced here. But I did want to take this opportunity to point out to members, first of all, that we plan to support the resolution; that secondly, several parts of this resolution have been hoisted upon the federal government in the past. We certainly will give them our support for future endeavors in that area. Thirdly, don't write off the ideas of low-interest loans, royalty-free energy, and on-farm storage: immediate things that could be done within the next year in this province to really come to grips with that question of net farm incomes during a period when negotiations can continue with the federal government in Ottawa, whoever that government might be.

MR. MILLER: Mr. Speaker, I must say that I welcome taking part in this debate, which is extremely timely in view of the fact that farmers are presently busy putting their crops in the ground. I particularly liked the opening remarks of the hon. minister, when he gave such an accurate description of what has happened in the farming industry over the years and the way the grain industry has developed in spite of drought, insects, disease, and other factors which have affected the production of grains. Through all this the farmer, through his ingenuity and through the use of fertilizers, sprays, and better farming practices, has continually upgraded his production.

As we're all aware, the two factors which concern the grain farmer most are the price of his product and how much he can sell. The quotas are directly affected by the export sales of his grain. At present we're too dependent on the Chinese market for the bulk of our sales. The recent good sales we have had have been based largely on disasters which have occurred in other parts of the world. We're faced

with protectionism of the European common market, as well as the instability of the third world countries.

All these factors lead us to the conclusion that as grain farmers we need a long-term marketing philosophy and some stability in the market place. I don't think we should commit our total crop in any one crop year, but at least a significant portion of it should be allocated to a definite market at a definite price. We as a government should be concerned, and we are concerned, because we produce over one-third of Canada's grain. As such, it is only fitting that this government act as a catalyst in the marketing of our products. In fact, the proposal the Minister of Transportation made to the Alberta Wheat Pool last week was just that, a proposal to act as a catalyst to get grain marketing in a better position. Mr. Speaker, we have to be prepared to meet the existing changes in the grain-marketing sphere.

The Leader of the Opposition said he was concerned with farm storage. Mr. Speaker, I feel this is only one factor. Sure we have to have farm storage. We have to have inland storage, coastal storage, offshore storage. I'm looking forward to the day when perhaps we could lease a big boat, have storage right on the water, and possibly make spot sales throughout the world. If some country wanted a few thousand bushels, we would just pull in and unload what they wanted. Then we'd go on to the next. We'd be a peddler of grain. This is an innovative idea which just might work.

As well, Mr. Speaker, I think we always have to be aware of new crops to meet the changing demands we find throughout the world. I was pleased when the minister mentioned about when the Premier was in Iran. There they were wanting white wheat, which we can grow and develop a market for. In the past few years we've seen how rapeseed, which we once considered the Cinderella crop, is now one of the major cash crops. This year we find that farmers are doubling their planting of rapeseed.

As well, Mr. Speaker, we must never overlook the amount of research we have to have going on constantly in the grain industry. A few years ago when we had a surplus of grain, I recall that somebody was promoting that we change grain into alcohol so it could replace gasoline. With the energy shortage that is about to come upon us, perhaps we will have to convert some of our grain into alcohol to replace the gasoline which is needed to run our cars and tractors for production.

I would point out, Mr. Speaker, as did the minister, that we have a \$10 million agricultural research program, initiated last year and funded by the Alberta heritage trust fund, not only to develop new crops but also to deal with all agricultural research concerns. This is an important step to show what the government is prepared to do not only for Alberta agriculture but for agriculture in all of western Canada.

As we are all aware, Mr. Speaker, sales of grain directly affect our livestock production. When we have an overproduction of grain and there is no market for it and farmers are looking for alternatives, one of the first things they turn to is the production of livestock. As a result we have overproduction and depressed prices in that sphere of our agricultural industry. A bit of stability in the grain market would also help the livestock industry of Alberta.

Mr. Speaker, I'm pleased to see that a cabinet

agricultural task force committee has been established. This shows the importance this government places on agriculture. I'm pleased this government is going to take an aggressive selling position and will work with the federal government, The Canadian Wheat Board, and private industry in any sales developments we can help in. Mr. Speaker, I believe we have to get out and sell, make our presence felt in the world market, and get to know our customers on a personal basis, so we'll be prepared when it's a buyers' market. If you know the people you're doing business with, it's just like when you go out to buy a car. You buy a car from the fellow you know.

MR. NOTLEY: Mr. Speaker, in rising to participate in this debate, I would say at the outset that we really are debating one of the more important, if not the most important resolution placed before the Legislature during the spring session. I agree with the hon. Member for Lloydminster when he talks about the importance of a grain-marketing strategy. If you're going to try to develop an integrated agricultural program, the place you really have to start is with grain. Everything else will fall into place if you have not only an export policy but a sensible internal feed grain policy. So this is clearly an important resolution.

I would say quite frankly that certain parts of the resolution — I shouldn't say parts of the resolution, because the resolution is quite generally worded. Let me be more specific and refer to the hon. Premier's letters, of both November 4 and April 26. I strongly support portions of both letters. In several parts of both letters there are important differences in emphasis that I think should be examined, and I don't agree with certain portions of both letters.

But I don't think anyone in this House, Mr. Speaker, would stand and say we can or should be complacent. Clearly, as a province which has as I think its most important industry . . . Long after the oil and gas are gone, the land will be here. Because of the importance of agriculture, we have to look at the future marketing strategy, not just building on the achievements of the past but looking at the future.

That being the case, Mr. Speaker, some things I agree with, quite frankly, are the proposals, first of all, for confidential quarterly reports to provincial premiers by The Canadian Wheat Board. I think that's a reasonable proposition.

I also endorse the proposition of having a special conference on grain marketing in Canada. I know the Prime Minister, in responding to the Premier, indicated we have the annual Canada agricultural outlook conferences where various people can be present. That's true. I doubt whether the details that came out of a first ministers' conference on grain-marketing strategy would solve the problems of the universe, but I think one of the most important reasons for having that kind of conference is that it would dramatize to the Canadian people the importance of the issue.

When I look back on the energy conferences that took place from 1973 to 1977 or '78, it seems to me that the energy conferences not only developed the basis of an energy policy in the country but, as important, did a great deal to underscore the whole question of energy as an issue in Canada. So the suggestion that we encourage the federal government to call an early conference of the provincial

premiers as well as the people actively engaged in the grain-marketing system is one that I would support.

Similarly, the proposal of Soviet tractors. Fair enough. That's easier said than done, as the Prime Minister pointed out in his letters. It's also fair to say that Mr. Kosygin, as the chairman of the presidium, I believe it is, the council of ministers in the Soviet Union, is going to make the same observation that other heads of state would make; that is, if you want us to buy your grain, we want you to purchase the goods and services we produce. That's a natural reaction on the part of any head of state. I wouldn't overemphasize the significance of Mr. Kosygin's remarks, but it is a reasonable proposition that where we can improve avenues and trade between the two countries, and I suspect at the same time provide a better deal for many of our Canadian farmers, noting the potential price differentials in machinery, that's the sort of thing we should pursue.

Mr. Speaker, having made those general points, I would say that certain aspects of the correspondence concern me. Let me begin by saying to members of the Assembly that the place really to start in discussing this question of an international marketing strategy is to examine the international grains arrangement and the whole process of developing international commodity agreements. I would say to members of the House that despite the short-term advantages of bilateral agreements from time to time, our emphasis must continue to be on obtaining multilateral agreements. I think it's important to note the government of Alberta GATT policy paper dated December 2, 1975, because it says:

A general or blanket reduction in the tariffs of our major trading partners is seen as being a crucial first step in rationalizing the agricultural sector in Alberta. In short, a liberalization of international tariff structures is essential . . .

It goes on to say:

In summary then, the Alberta Government favours a blanket-form of liberalization in agricultural trade as an initial step in the GATT negotiations.

Then the specific recommendations — again I'm quoting from the document of December 2, 1975, tabled in the Legislature:

The Alberta Government urges the Canadian delegation to . . . eliminate the high and discriminatory tariffs and [the non-tariff barriers] on wheat and barley which exist primarily in the EEC, Japan, and Western Europe.

Mr. Speaker, I believe that has to be our primary emphasis. It disturbs me a bit that a year later, October 19, 1976, we have the hon. Premier saying:

In the area of agriculture, what we are proposing and presenting in various ways through officials arises out of a hopeful negotiation on a bilateral basis for agriculture trade relationships between Canada and the United States . . .

What we're proposing would require negotiation not along the lines of the General Agreement [on] Tariffs and Trade, Mr. Speaker, but a bilateral trade negotiation between Canada and the United States.

Mr. Speaker, I believe the emphasis still has to be placed on multilateral agreements, however attractive the bilateral approach may be. I'm willing to ac-

knowledge that all countries are going to engage in bilateral agreements from time to time. We can't be naive about the world of international trade. But at the same time we have to ask ourselves, where should the emphasis be? If, as one of the provinces which produces a large portion of the grain in this country, we're advising the federal government, what should our national strategy be? Surely the long-term result of a whole series of bilateral agreements in the grain trade would be disastrous for Canadian farmers. We have to move away from that sort of localized approach.

It was that approach that got the world into so much trouble before the depression; it was that approach that spawned the activity and the interest in the first International Wheat Agreement after World War II; it was the deficiencies of that approach that led to almost total support for the concept of an international wheat agreement during the late '40s, the '50s, and the '60s. One of the reasons — the Minister of Agriculture said quite correctly — was that Canada attempted to live up to the international grains arrangement. But there was broad support for that, support that flowed from a recognition that worldwide agreements, whatever problems may arise from time to time, are a better guarantee for stability in the international market place than bilateral, short-term schemes.

So I believe that's where the emphasis has to be placed. It doesn't mean there won't be some room for bilateral agreements from time to time. We all have to acknowledge that that will exist. But in my judgment, a very crucial question has to be answered first: where should our emphasis be? In 1975, this government clearly said the emphasis should be on multilateral agreements. Today, as I listened to the hon. minister and to the Premier's ministerial announcement, I sensed that perhaps we're placing more of a premium on bilateral agreements. To the extent that that's true, Mr. Speaker, I say it is a mistake.

Mr. Speaker, I'd like to move from there to look at the current discussions on a new international grains agreement. On April 20, 1978, I asked the following question:

Has the Alberta government been involved in discussions between the United States and Canada in support of an internationally sponsored grain reserve to lessen the prospect of a price war between grain-producing countries?

The hon. Premier answered:

Mr. Speaker, we have generally endorsed that concept — and the Minister of Agriculture may wish to supplement my answer — and have declared so publicly on a couple of occasions.

However, when the Minister of Agriculture supplements the answer, he indicates that the international grain reserve really isn't the policy of the government of Alberta. On page 770 of *Hansard*, he says,

So it's a pretty complex question . . .

Well, no one is going to argue that.

. . . I certainly wouldn't be prepared, nor is this government, to take a firm position on that without having a great deal more discussion with other interested parties in our own country, and indeed with those involved in the international scene.

Now today, when the hon. Minister of Agriculture

began his comments on the international grain reserve, he again made reference to a statement he made on the 20th, that what would become the floor price in fact would be the ceiling. Mr. Speaker, one of the arguments you hear throughout the rural areas of the province is that we would like to have some elimination of the boom-and-bust cycle that has afflicted the production of grains since the formation of this province. The entire argument, as I understand it, and one of the reasons why both the U.S. Secretary of Agriculture and Mr. Whelan support the concept of a grain reserve, is that it is a forum. I know the Minister of Agriculture doesn't like this term, but it's a forum of supply management.

If you're going to level out, you need a reserve. The advantages of a grain reserve can be many. As I say, it can level out the boom and bust in the industry from a producer point of view. They will make possible rational expansion of production, in both the have and the have-not countries. It will be a source of substantial grain in reserve if we do find famines or droughts where action has to be taken quickly. But the basic proposition behind an international grain reserve is the whole concept of providing a reasonable but more level kind of grain pricing than we have seen over the last 20 or 25 years, or indeed over the last 60 years in western Canada.

Mr. Speaker, I want to move from there to make some observations about the operation of The Canadian Wheat Board. Without any hesitation, I would say I believe The Canadian Wheat Board has done an outstanding job as far as international marketing of our grain is concerned. That doesn't mean there can't be improvements. But it does mean that when we discuss a resolution of this magnitude, we have to be very quick to underscore the fact that we have one of the best systems in the world. The U.S. Secretary of Agriculture, in visiting Canada last summer, remarked that the marketing system, particularly with respect to the operation of The Wheat Board, was far superior to the situation in the United States. I'm going to come to that in a little more detail in a moment or two.

Mr. Speaker, when we talk about complacency, I think it's fair to go back in history a little to understand that the complacency of the '50s was not resolved by the politicians first. The complacency of the '50s — and members will remember when we had wheat piled all over western Canada — changed in 1960 with a remarkable deal, the first Chinese wheat deal in June 1960, negotiated as a result of the initiative of The Wheat Board. To its credit, the Diefenbaker government accepted and went along with the proposal. But I think we have to recognize that the initial contacts were made by The Canadian Wheat Board. This was at a time when it wasn't fashionable to trade with the communist world. Yet The Wheat Board people were sufficiently competent and knowledgeable, and had a good idea where potential markets were, that they made Canada a leader, if you like, in this area. That was followed a few years later by the first of our agreements with the Soviet Union.

Mr. Speaker, when I look at the track record of The Canadian Wheat Board, the fact of the matter is that it's just an outstanding record. I doubt that many federal agencies, or many provincial agencies for that matter, can have to their credit the record of perfor-

mance of The Canadian Wheat Board. While no one says that a good past record is sufficient to allow somebody to rest on his laurels, if we're going to debate a resolution of this nature, in fairness we have to underscore how excellent that track record has been.

Let's take a look at where things stand now, Mr. Speaker. Last summer we heard a lot about the performance of the United States and Canada in the world grain trade. The suggestion was that we were being out-hustled by the United States. Let's take a look at the figures. In 1975-76 the American share of the world grain trade was 47 per cent. In 1976-77 it had dropped to 41 per cent, a drop of 6 per cent. On the other hand, Canada's share in 1975-76 was 18 per cent. The last year in the annual report of The Canadian Wheat Board, that the hon. Premier has made reference to, is 22 per cent; in other words, a gain of 4 per cent. So not only has there been a good past record, but that record continues to be positive.

Mr. Speaker, I want to deal for a moment with the comments on the U.S./Soviet deal. A lot of emphasis has been made by the hon. Premier and again by the hon. Minister of Agriculture on the deal between the United States and the Soviet Union. Certainly it is a favorable deal. But we as members of this Legislature must also be realistic enough to know that the United States has much stronger clout in negotiating with the Soviet Union than Canada ever would have. They were talking about the whole question of *detente*. As I've discussed this with people on The Wheat Board, at least in part this present deal between the Soviet Union and the United States is tied up with *detente*, and with the SALT. It's part of the give and take, the *quid pro quos*, and the trade-offs that have existed since time immemorial in big power politics. And to suggest that somehow even with all the conferences — we could have a conference of first ministers every week — this is going to improve the bargaining power of Canadian negotiators vis-a-vis the Soviet Union is, in my view, rather hopelessly optimistic. So, Mr. Speaker, while no one denies that arrangement exists, the fact of the matter, as I understand it anyway, is that it is tied up with big power politics.

The suggestion has been made by the government that perhaps we should have a board which would scrutinize The Wheat Board, and you could have provincial representation on that board. I would quite frankly express some doubt about the wisdom of that particular approach. Some argue — those who question the board, I suppose — that the board is basically a tool of the federal government. That has never really been the case. The Wheat Board has done a selling job in a completely non-partisan arena. It has an advisory board composed of people who represent farmers right across this country — who are elected as a matter of fact in their different districts.

It's interesting to note the people on that advisory board. For many years the chairman was the late Gordon Harrold, who for a number of years was president of the Alberta Wheat Pool. Among the members of the advisory board is Mr. Dobson Lea, now president of the Canadian Federation of Agriculture, but for a number of years president of Unifarm and for countless years active in the farm movement in this province. The current chairman of the advisory board of The Wheat Board is certainly no friend

of the present minister. Whatever one could say about the present minister in charge of The Wheat Board, the suggestion that there's a sweetheart deal between him and Roy Atkinson is really stretching credibility somewhat. Yet the current chairman of The Wheat Board advisory board is Mr. Roy Atkinson. So we have an advisory board elected by producers right across the country. We've seen a board willing to invite grass-roots participation; meetings have been held throughout western Canada, and I think have gone some distance in explaining to the people of this region, on an ongoing basis, just what The Wheat Board is doing.

Mr. Speaker, I raise this question, as I raised the question in the Legislature today, about where the government stands on The Wheat Board, because first of all it rather troubled me as I read the Premier's letter where he says:

At this stage we tend to support the concept of the Canadian Wheat Board as the sole grain exporting agency for Canada for presently defined Board grains.

The reason I express a little concern is that not too long ago the current national leader of the Conservative Party, and I assume the national leader for some time, although that's subject to debate I suppose, in Manitoba made the following observation: "Expansion of The Wheat Board's selling efforts, but ..." — and I underline this "but" — "permission given to private organizations to sell grain in competition with The Wheat Board."

Mr. Speaker, Mr. Clark went on to say that private organizations would be working alongside The Wheat Board and this, according to him, would stimulate the board's efforts. So the federal leader of the Conservative party, a man who now has at least some prospect — I'm not sure that's a good thing, but at least some prospect — of becoming prime minister, is saying we're now going to have competition. The government of Alberta is saying, "we tend" to support The Wheat Board as the sole marketer on the international level. I would feel somewhat happier, Mr. Speaker, if this "we tend" was "we support", and was not so qualified, particularly in view of the statements made by Mr. Clark on the federal level.

I raise this question, Mr. Speaker, because I think — and I don't wish to be uncharitable — we've heard a lot about the recent grains deal between the Soviet Union and the United States. I believe about 6 million tons annually, both of corn and wheat, are to be sold between both countries. Fair enough.

But there was another grain deal in the United States that I think we should take a little note of before jumping on the bandwagon here. That was the grain deal in 1972, where the major grain companies bought up grains. They bought wheat from farmers in the United States at \$1.35 a bushel, held it, and when the negotiations had taken place with the Soviet Union, the price went up. Who got the gain? Was it the farmers? No, unfortunately it wasn't the farmers, Mr. Speaker, because they had already sold their grain to Cargill, Bunge, Continental, Dreyfus, to the major companies. The grain companies made the millions and millions of dollars profit.

So when Mr. Joe Clark tells us that maybe we should have the five great grain companies providing a little competition to The Wheat Board on international grain marketing, I'm inclined to look back on

the advice of Senator Jackson. Mr. Speaker, we've heard a lot of reference to Senator Jackson in this House — frequently quoted. Senator Jackson said of the 1972 grain deal:

The Russian grain sale was a monumental blunder . . . born in a climate of Government secrecy and bureaucratic negligence . . .

The grain sale brought food to the Russians, huge profits to a few grain corporations — and more inflation to the [Canadian] people.

So, Mr. Speaker, we have a method of selling grain, a mechanism for selling grain that has done a good job, in my view anyway, and that should be supported by all hon. members of the House. I find it regrettable that in the exchange of correspondence we have still left as rather tenuous, vague, and tentative our position on the board as the sole exporting agency for Canada.

In answering my question, the Premier indicated that from time to time the board would enter into short-term agreements with the private grain trade. That's a totally different matter, Mr. Speaker. That's the sort of thing done under the auspices of the board, and the profits made as a consequence of the entire board operations — as members know, you have the initial payment and then the final amount is pooled and paid out to all the producers on an equal level.

Mr. Speaker, in concluding my remarks on this particular resolution before us today, let me say first of all that The Wheat Board has done a good job and should be supported.

Secondly, in terms of our international thrust as a nation, I say that the emphasis placed in the province's paper of 1975 is the correct one. We should emphasize multilateral agreements. Over the long haul the bilateral approach, if all the nations of the world do it, will simply place international grain marketing in a chaotic situation that can only hurt the producers of western Canada. We must stress and underscore the importance of working for a new international grains arrangement. I believe that the position taken on the international grain reserve by both the Secretary of Agriculture from the United States and the Minister of Agriculture for Canada, Mr. Whelan, is a reasonable one. The Leader of the Opposition mentioned farm storage. I think the whole question of the international grain reserve, wherever we store it, is subject to all sorts of different possibilities. But the concept of an international grain reserve, as I see it, is one that we should strive to achieve.

Finally, Mr. Speaker, I would say to members of the House today that I believe it is long overdue that we have a minister in charge of our international marketing. I don't think it is a responsible proposition that the minister in charge of The Wheat Board should also be the Minister of Transport, or before that the Minister of Justice, or after the next election the minister of something else. It seems to me that if we're going to take our international marketing seriously, we have to have a fullfledged minister, a minister working within the constraints of (a) a good marketing system through the board, and (b) consultation with the provincial governments.

I think that's fair and reasonable, and the place to start is with a meeting of the premiers. But a policy, Mr. Speaker, that recognizes that in the long run

Alberta farmers are going to be best served as we move from a bilateral dog's breakfast to a situation where we can establish long-term, multilateral, international agreements.

MR. LOUGHEED: Mr. Speaker, in rising to participate in this debate I felt it would be important perhaps to put on the table, at the outset, the significance of what we're debating today in terms of the future economic prosperity of our province, which I think has been generally recognized. I believe, too, that it should be expressed that one of our views in the tabling of the correspondence today, the ministerial statement, and the remarks by the Minister of Agriculture and the Member for Lloydminster, was to enter into a debate as appropriately should be held in this Legislature with regard to such an important subject, and frame the resolution in a general way to permit the broadest scope on the matter.

Of course it would be the government's intention to permit the debate perhaps to move on if it is not concluded today, and to leave it on the Order Paper so it could be appropriately debated again on a future occasion when developments may have occurred.

In sitting and listening to the representatives of the opposition parties in the Legislature, I have some difficulty analysing their true response to the resolution and to the recommendations that have been presented to the federal government. I sense on behalf of the Leader of the Opposition and his colleagues — and it may or may not be accurate — but the mood that came across to me in listening to it was a sense of defeatism, a sense that we've been this route before; we're not going to accomplish anything; why waste our time?

I hope I'm wrong on that, but it was the feeling I received in the remarks he presented. I don't feel that way at all. In due course in my remarks I can and will point to some gains — admittedly certainly not as many as we would like — that have already occurred.

In his remarks the hon. Member for Spirit River-Fairview started out with the view that he wasn't complacent. I recall the first reading I had of the Prime Minister's letter of January 23. When I read through the letter, he ended up by saying, Mr. Premier, I assure you we're not complacent. Then I went back and read the letter all over again, and as I say in the letter I wrote him on April 26 on the first page:

We are distressed however, that you have responded complacently to the suggestions of the need to plan now for a new international grain marketing strategy for Canada.

The more I listen to the hon. Member for Spirit River-Fairview in what he proposed and what he was opposing and his attitude, it certainly led me to a view of complacency with regard to the position we're in. I hope I misunderstood him again, but that was the message that came forward to me. So on one hand we have defeatism, and on the other hand complacency.

I'd like to respond this way to the overall issue and to some of the remarks already raised in the Legislature: first of all, to underscore that, the trend in terms of international grain marketing, private trade aside, is that we are involved now with the American policy in terms of the U.S./Soviet agreement, and for a multitude of other reasons, in an increased degree of

government-to-government involvement. I'm sure there will continue to be a place for the private grain trade, but we look at the situation in the world today. We look at the basic exporting countries and their policies and strategies. We look at the importing countries and the larger ones and, like it or not, we're into a situation in the world grain trade where in a very large degree it's government-to-government involvement. If it's government-to-government involvement, it's the Canadian government that's involved, and that's the elected representatives of the Canadian government. It's the involvement of the Canadian government at the highest possible level. It's that issue that brings this Legislature and this government to put this position forward today.

It is true that our role cannot be one of direct negotiation. It is true that our role is limited under our constitution to a supportive one, as it appropriately should be. But that doesn't stop this government from dramatizing, expounding, pressing, pressuring in any way it can the federal government and the people of Canada, and for that matter to some extent the people of Alberta, to be more knowledgeable about the position we're in.

I don't understand how we can be in any way complacent about the position we're in, by simply looking at past records and recognizing why they occurred. They occurred for climatic reasons, for development policy reasons; they occurred for that basic position that they can change.

The reality of the grain trade for Canada is that we are a residual supplier. I wonder if all our citizens understand that we are a residual supplier. In short, essential as it is to the policy and economic stability of this province that we make these sales on a steady basis with stability in return to our citizens, we must recognize the inescapable reality that we are a residual supplier. We supply as the others need, and the others' needs vary as their harvest comes in, as their crop conditions are evaluated, and in terms of the production situation that exists from climatic and other reasons.

That residual supply position requires the opposite of complacency. Surely, Mr. Speaker, it requires every effort we can make to pull together a strategy in which there is general agreement and consensus within Canada by all involved, including the federal government, the federal cabinet, The Canadian Wheat Board, the three principal grain-growing provinces, and of course the grain trade as represented so ably by the people we met this morning.

I want to correct a comment from the Leader of the Opposition. In no way should this motion and its endorsement by the Legislature, and I'm sure in this case by the Leader of the Opposition, imply to the agriculture community of Alberta an optimistic view that things are going to happen. It is actually the reverse. It's attempting to get across to the citizens of this province, those who are grain producers and those who are not, that we are in a precarious position and that, unless we work very hard, it won't be simply a matter of improvement, it will be a matter of deterioration of the position we're in today. So rather than create a sense of optimism or expectation, what we're attempting to communicate with the resolution is a recognition of the realities that exist today. So that in my judgment is the view we present with regard to this particular matter.

Now, Mr. Speaker, I thought perhaps I could best, in a quick way, just go over the nine recommendations contained in my letter of April 26, and refer to some of the remarks that have been made to this House and perhaps elaborate upon them.

The first one has to do with a new international wheat agreement. We say that would be desirable. But what came out of the discussions today when we met with the representatives of the grain trade — and I don't think I'm putting words into their mouths; I think they have said this — they would rather have no agreement than a bad agreement. And what we have to be very, very conscious of as we watch the negotiations over the months ahead is that this International Wheat Agreement in its complexities, in its terms and conditions, is a good agreement, a good agreement for Canada and the grain producers. Mr. Speaker, we can all agree automatically with the concept: yes, by all means let's have an international wheat agreement. But in that case let's remember a little the history of it, the history of those agreements and what they've meant. Let's support that concept, let's back up our federal government as we've said we would. But let's be very, very much aware that we must watch carefully how that agreement comes together, because I certainly agree with that expression that was raised with us this morning: better to have no agreement than a bad one.

Now that brings us to the question of the grain reserve. It may be, properly structured, a sound concept. In essence we can see the logic of it; we can endorse it. But it depends on how it is structured; it depends on how the commodity market views it. And does the commodity market view it as the Minister of Agriculture has so effectively presented? Do the grain trade and the commodity market view that grain reserve in a way that creates an almost permanent depression of price by overhanging a supply position? Not necessarily, but it is a matter I think we have to watch very carefully. That's the specific reason for the recommendation with regard to the observer position.

The Member for Spirit River-Fairview refers to the discussion in the Legislature on April 20 on this matter. Just so the record is clear, I've answered the question this way: we have generally endorsed the concept of the international grains agreement. That was the question I answered; that's the position we have. Insofar as the reserve position is concerned, we've added the qualifications I have just mentioned and that the Minister of Agriculture has put before this House.

In our second recommendation — and I'm pleased to see there's been some general support for this — we feel that there should be in a Canadian government, in a cabinet of their size, a minister not burdened with other responsibilities who has this particular matter as his sole and complete responsibility. I think that is a generally accepted position in all corners of the House.

The third recommendation has to do with the reports of The Canadian Wheat Board provided to the premiers and governments of the provinces. Frankly, Mr. Speaker, as I mentioned in my letter of April 26, I was surprised they did not accept this. I have contacted Mr. Jarvis, the chief commissioner, and asked if he would come to meet with me again in mid-June, together with the Minister of Agriculture, so we will

get an update. I'm not critical at all. They have been very straightforward and open with us. But it should be something more than a mere request from a premier of a grain-producing province. It should be something that is established, ongoing, and accepted, and that they can recognize the confidentiality and can provide us the material. To be fair, The Canadian Wheat Board has made some information available to us of that nature, and they're well aware — I'm sure when they read *Hansard* they'll know what I'm referring to — of the confidential information provided us, and it has been kept that way. It seems to me important, though, that it be crystallized.

The fourth recommendation is that there be a board of governors of The Canadian Wheat Board and that such board include direct appointees of various provincial governments primarily involved in the grain trade. This is one of the more controversial, and we recognize it. But we think it is crucial. And here we depart strongly from the view of the Member for Spirit River-Fairview. I'm an endorser of the concept of The Canadian Wheat Board. I've said on a number of occasions that I think they perform well, in certain cases with a limited degree of support and endorsement by elected people. But I don't think any agency of that nature that requires the support of a federal government in the realities in Canada today is going to be as effective simply on the present system.

I put it to you this way: I wonder if you could guess how many hours in the last three years the federal cabinet has discussed the matter of the grain trade. I wonder how many hours, and I bet it was very few. If you bring into focus the provincial governments on a government-to-government basis, involved in a general policy and support for The Canadian Wheat Board, we would see a much higher impact of a federal cabinet concern about The Canadian Wheat Board and the grain trade, because they could ill afford to ignore the reality of the more direct involvement of provincial governments in western Canada. And they would not ignore it.

I am convinced that on a general policy basis properly structured, we could affect through our regional input, on a combined basis through the governments of Alberta, Saskatchewan, and Manitoba, a positive and constructive input of support and assistance to the mandate of The Canadian Wheat Board. I was offended to some extent by the Prime Minister's response to this, to the effect that it would bring a political element into it. What I found at the Western Premiers' Conference, Mr. Speaker — and it really has been a very positive factor in my experience in office — was that when we sit down as provincial governments at the Western Premiers' Conferences, philosophy aside, different parties aside, it's really remarkable how under the circumstances of a common interest we can come to grips with a common policy. I believe when you're operating government to government, it hasn't got that political connotation. To suggest — and I take full issue with the Member for Spirit River-Fairview — that some pedestal should be established, put The Canadian Wheat Board on it, and then let them go, I don't accept that. I accept that any organization should have, in my judgment, an opportunity to be strengthened. I think it would be strengthened by having it truly a national agency, and a national agency that reflects the western Canadian point of view. I really believe that would be

important.

Mr. Speaker, the next recommendation involves GATT, and the circumstances of the grain and related products involved in GATT. To respond to the Member for Spirit River-Fairview, I suppose what we're talking about is emphasis. It is quite true that our emphasis is dual. We believe it is important that we put an emphasis on the international multinational agreements — both in GATT, in the International Wheat Agreement, as well as that and on the statement the Member for Spirit River-Fairview read into the record. But under the circumstances we don't think we can afford to put all our eggs in that basket. That is where we part company with the Member for Spirit River-Fairview. Because from the advice and intelligence my colleague the Minister of Federal and Intergovernmental Affairs has received, and from others, and because of the growing protectionism occurring throughout the world today, because of some of the advice we get, the prospects of the GATT negotiations are not as encouraging as they were a year ago. Why? For the simple fact, as we've discussed before in this Legislature, that the western world's economic situation is not nearly as vital and strong as it was in the Kennedy round of negotiations in the '60s. It's going to be much more difficult to have positive gains at GATT for the benefit of Canada.

Let's face it, we didn't do too badly in the Kennedy round. My information, and my colleagues' information, is that it's going to be more difficult for us to do well in this round of negotiations. So I think we in western Canada, we in grain-producing provinces, we in our position in Alberta, had better support, as we have and will continue to, the GATT general positions. As we noted in the communique from the Western Premiers' Conference, we'd better be very careful they don't trade off the west for central Canada when it comes down to the final negotiations, and in the agriculture- and grain-related areas, to recognize that it is important to be fully supportive of those positions, on top of what they're doing, as we are, but at the same time to recognize that it might not work and set in motion bilateral negotiations that can be helpful wherever we can.

I wasn't sure I understood the observation of the Member for Spirit River-Fairview about the United States. I presume he was referring to the other side of the agriculture balance, in terms of the livestock industry vis-a-vis accelerated natural gas, which is a separate matter. I stated in my letter that my unease with the federal position was put forward at the first ministers' economic conference in Ottawa in February.

The sixth recommendation was discussed. That is the flexibility of purchasing products such as machinery as part of an international trade position. Let's make something abundantly clear here: we don't for a moment suggest there is a way, as the Minister of Agriculture pointed out, that we're automatically going to solve our market problems by a trading relationship with tractors from the Soviet Union or anywhere else. We should be examining it, as is suggested in the letter.

But, Mr. Speaker, the key factor is: it is not trade in isolation. Therein lies the weakness of those who in this subject area fully, completely, and solely rely upon The Canadian Wheat Board. Their mandate is related and restricted, and their parameter is the

grain trade. These are matters of trade between countries, and that trade covers a multitude of areas. In any country . . . Certainly it's quite natural for the Premier of the Soviet Union to say to the Minister of Agriculture and me: what are you buying from us? Anybody's going to do that; that's part of the equation. What we don't have in place today in Canada, in my judgment from what I've been able to observe, is a well-considered strategy of a significant nature with regard to those countries that do in fact buy our grain, of how we can effect our trade relationships with them to the benefit of our agriculture producers.

I detected certain circumstances. Surely we saw that in the oceanic meat agreement, with the countries that brought in and resulted in the substantial importation of cheap Australian and New Zealand beef into this country. That was the result of one of those negotiations that ignored the western point of view. What we suggest is essential broadening beyond as part of the strategy, a trading decision that, when we're dealing with a customer of ours that's major and important in grain trading, we look at the total trade situation between our two countries and see what we can do to work that out to the benefit of western Canada, and not just central Canada. That's the implicit concept there. There may be many different ways to do it. We're raising it by way of discussion.

The seventh recommendation has to do with the negotiations between Canada and the Soviet Union. In this one we were alarmed at the response by the Prime Minister, as the letter says. I just can't understand a view presented here that simply because the United States is able to do it, Canada cannot do it. If we got any message, it was that in 1980 at the end of the U.S./Soviet agreement we might be in a position to work out a longer term arrangement. But what alarms us is some of the views being held that that U.S./Soviet agreement is an insignificant development. I don't see it as an insignificant development at all. I see it as something that at a policy level, at the highest levels in Canada, surely we should be in a position of saying, is it in Canada's best interest to have such a long-term agreement or not?

Now I'm going to support The Canadian Wheat Board, as my colleagues will, on a number of occasions. But there are times when they're going to make decisions, for reasons of the way they operate in their limited mandate, that we don't agree with. I think it's important for this country to examine whether or not it's in our best interest to have a longer term agreement with some of our major customers such as the Soviet Union.

When I refer to the Soviet Union, let me just add a few words about the Chinese market. I'm bothered by the complacency the hon. Mr. Lang presented recently. I'm bothered by the complacency reflected in the remarks from the Member for Spirit River-Fairview on current sales. As I mentioned in my ministerial statement, Mr. Speaker, an ever-increasing amount of our sales is going to China, to that market. To an extent that's good. But with a new regime with the declared position they have, with some changes in their transportation system that market can move on a declining basis for us through the 1980s. I think it is very, very important for us — and we might be in an ideal position — to see whether or not as part of our strategy a longer

term agreement with China might be in order. Why not at least be examining those possibilities? I do not accept the fact that we should turn our backs on the concept of bilateral longer term agreements between the major countries buying our grain.

The eighth recommendation, and it hasn't been referred to as yet in this Legislative Assembly: I think we have to look at what our competitors are doing, the many different terms they're presenting. I mentioned in my earlier letter just the simple, small one in Saudi Arabia when we asked them, why aren't you buying your barley from us? They said, we asked your government whether or not you'd build silos for us, and they said they wouldn't do it. The silos were provided by Australia, so we buy all our barley from Australia. That's not very much, but I think it's a very important aspect of how we trade and operate. I think it's important that we examine what our competitors are doing on a government-to-government basis and see where we can compete.

The Minister of Agriculture has mentioned, and I want to come back to, the question of food aid. We have an agency in Ottawa distributing a significant portion of grain as a matter of food aid throughout the world. They're not relating it to a Canadian international grain-marketing strategy. I think we should examine — we were discussing that at lunch today — whether or not we could reasonably put them together, as a country like Canada, providing food aid. Can we not learn from some of our competitors and, to some extent, tie food aid to a market position that we develop for the future? We can work a multitude of areas in that regard.

I just want to interject with a comment to the Leader of the Opposition, in glancing through this document, *A Case for the West*, which I well recall. I recall sitting over there getting involved in a debate to press some of these points with regard to the regulatory agencies. We were pleased in part with these initiatives in February 1969. But when you read this document, Mr. Speaker, I hope the Leader of the Opposition was not trying to equate it with the detailed recommendations we made on agriculture marketing, because it deals in a very minor way with the matter of grain marketing. It does deal with the question of representation on national boards, and from that point of view it is true. But the suggestion, if it was meant in that way, that really all the things in these letters were referred to in this document is I'm sure not the impression the Leader of the Opposition would want to give, because it simply isn't the case.

Mr. Speaker, I want to turn next to the last item, the special conference. In this case I agree with the Member for Spirit River-Fairview in the use of the term "dramatize", because I think that's what we're talking about. I suppose I'm also presenting it in one other way. I would like to get the Prime Minister of this country to discuss grain marketing in the public arena. Now we have a response. I thought you might be interested, Mr. Speaker, and I know the members will be.

On Friday we had a response from the federal government to my letter of April 26. I wondered what they would do when I put the information in my letter that we would be tabling this correspondence here today, May 8. I didn't think the federal government would simply do nothing, having regard to current

circumstances. The reaction was, that they sent a message from Mr. Lang to me. That's good. I should read part of it into the record. He has already announced it in a general way, and it's one to have with a high degree of caution.

Those of you who would find these matters interesting as an aside, Mr. Speaker, I'm sure would be very interested in the fact that we gave nine recommendations, ordered 1 to 9. Then we got the reply from the Prime Minister. They must have worked on it for a number of weeks. It was very difficult to relate the reply to the recommendations, and as you saw, we came back with our April 26 [letter], point by point. It gives one a different point of view. You can be lulled into a situation that progress is being made when it's not.

Mr. Speaker, I don't want to be unfair and suggest that we're about to be lulled or attempted to be lulled again. Mr. Lang has written this communication to us. We have to accept it at face value, and we will. The telegram is addressed to me, to the effect: the Prime Minister has referred your letter of April 27 — I presume that's the April 26 letter — regarding grain exporting marketing strategy to me. Your interest in Canada's grain export performance is most welcome. While the Prime Minister will be responding to your letter, I thought I should write you on one of the subjects you referred to.

What Mr. Lang has referred to is to establish a meeting on a date he established without consultation, but one we can meet, on June 16 at 9 a.m. in Saskatoon.

We will have our meeting. Mr. Moore, the Minister of Agriculture, will attend on behalf of the government of Alberta. That's fine as a preliminary meeting and discussion, but that won't do in terms of recommendation No. 9, where the Prime Minister of this country should be directly involved. He can become directly involved in the Autopact. He says he's learning about that. Well, I suggest to him that he should be directly involved in the grain trade, and it is important that he be. Mr. Speaker, we will respond to that initiative, but we will not consider it other than a preliminary meeting.

In conclusion, Mr. Speaker, I know others wish to participate in this debate. I would just like to say that this won't be an easy road. These matters never are. But I think this government is right and has the support of its citizens in: one, taking the initiative and deciding that a provincial government has an appropriate role to play in international marketing, and in pressing the federal government to develop a new strategy; two, accepting the concept of The Canadian Wheat Board, but requesting and striving for a much more direct voice in the overall policy position of The Canadian Wheat Board; and thirdly, continuing to get across to the citizens of this province, be they grain producers or not, that we are residual suppliers — Canada is — and our position is surely not one that should have complacency; it is one of real, deep concern that we could have the very difficult position of prosperity here in this province in other than agriculture and have a situation where a combination of forces in the 1980s reduces the viability of our grain producers to a position that would truly be sad for our province. It's a base industry for us in this province, and we as a government, and I hope as a Legislature, will continue to give it the profile and the attention it

deserves.

That attention will be determination, aggressive action, a determination to see that Canada has a grain-marketing strategy, and to ensure that once and for all any complacency that exists in any other part of Canada is eliminated; and that we move forward into the 1980s with a practical, intelligent strategy of which all of us are a part.

Thank you.

MR. STROMBERG: Mr. Speaker, my apologies. I didn't realize I was going to be up this early, and I have to look for my notes.

Mr. Speaker, last year in reviewing the *Free China Weekly*, a publication that comes out of Taiwan, in 1977 it was Taiwan's intention to import from Canada some 200,000 tons of barley. I don't know why this didn't happen, but as far as I have been able to ascertain no exporter approached The Canadian Wheat Board that year for barley exports to Taiwan. I know the balance of trade is in Taiwan's favor in dealing with Canada. In 1976 we sold them \$56 million worth of goods, and they shipped back to us \$313 million. I am fairly sure Taiwan is extremely nervous as to the need to balance their trade with our country. They're worried about building up a huge surplus such as Japan has done.

Mr. Speaker, I did contact Continental Grain in Vancouver and indicated to them if they had any interest in getting some of this Taiwan barley business. According to Continental Grain, a trade commission from Taiwan is presently in the United States looking for some 55,000 tons of barley. Apparently Canadian barley is not preferred by Taiwan, because they order nothing but pearling barley, and no pearling barley has been sold to that country by The Canadian Wheat Board for several years. The last time barley was sold to that country The Wheat Board had to remove the word "feed". Apparently the Taiwan government takes a fairly dim view of just the word "feed" — feed grains. I think it would be very easy to rename it seed barley, certified seed, certified barley; you could name it anything to remove that word "feed".

Mr. Speaker, I can remember in the '40s and into the late '50s, when considerable pearling barley was grown in southern Alberta. There was a market for it in that day. Now I'm not sure what's happened today. I suspect a fair amount of pearling barley could be sold throughout the world, if we could by-pass federal government policy. May I suggest that perhaps Alberta could act as a catalyst between Taiwan and other countries, and Alberta farmers, to grow pearling or malting barley on a contract basis. The contracts could read as seed grain and completely by-pass The Canadian Wheat Board. Perhaps if the white wheat interest shown by Iran goes ahead, it could go as a contract basis between the country of Iran and our farmers in northern Alberta.

Mr. Speaker, you might ask how we could move a large amount of so-called seed grain to tidewater without mixing it in the terminals. I believe we could use our own province-wide system of agricultural service board seed-cleaning plants, and further use of unit trains for direct loading to the boats, or use the storage presently available at Vancouver through the Alfalfa Pelleting Associations.

This year I read more excuses why we cannot get

into the export of malting barley in a big way: because our malting barley is off-color, or not the right color, or it's not the right variety. As I suggested earlier, why not go to a Japanese maltster and ask him, will you be interested in offering contracts to our Alberta farmers for the kind of malting barley you need? Mr. Speaker, if we had contracts to grow white wheat from Iran in the Peace River district, and contracts for malting barley to Japan from west-central Alberta, and contracts from Asia for pearling barley grown in southern Alberta, I bet we could be doing a great service not only to Alberta farmers but also to the farming industry in the west.

DR. HORNER: Mr. Speaker, I did want to take part in this very important debate that affects us a great deal in this province. I'm sorry the Leader of the Opposition had to leave, because he quoted one of my initial position papers in this Legislature. I only suggest to him that he go back and read it again, because the Alberta Grain Commission has done a real service to this province. Right off the top of my head, I can remember they were responsible for getting barley priced at Vancouver as well as Thunder Bay, and increased the cash returns to the farmers in Alberta in a substantial way. That's only one of the things. The other things they did were relative to the experimentation with hopper cars, and becoming involved in putting the pressure on the movement of grain. Again, I refer the Leader of the Opposition . . . I have some of these in reprint relative to a speech in November 1972 about grain marketing that it might be useful for him to review.

In the letters to the Prime Minister that the Premier tabled today, and in the return, one of the particular areas that in fact is not emphasized is the transportation factor; and for good reason, the reason simply being that it's been there all along, and I think everybody is aware of it. Certainly if my hon. friend the Leader of the Opposition is going to become a defeatist because we haven't done very much in the last six and half years, again I have in my office the reprints of *Hansard* for the House of Commons in 1925, and if he really wants to make a good speech, he can borrow one of those speeches from 1925.

So I ask him not to become too impatient. All these matters are going to take some time, and so they should, particularly relative to transportation when we start talking about the statutory rates and whether or not we should trade them off. I might just remind my hon. friends that a recent study done not by us in Alberta, but in Ontario, showed by their calculation that the negative impact of tariffs on western Canada was something well over \$200 million. That was only partly offset by what we got as a benefit in the Crow rates. That's something particularly important, and hon. members should keep that in mind at all times. It's all very well to say, you can't remain rigid on the Crow rates and expect to make progress in other areas such as processing, et cetera. We can and we will if we hang firm to our guns that we intend to get the kind of agreement that will give us the long-term benefits we now enjoy. As a province, we're willing at least to look at that.

The question, though, of marketing our grain of course depends on getting it to tidewater. We can market a certain amount domestically, and over the past number of years we have had a very useful and

expanding domestic market in our livestock industry. But essentially, as the Premier and the Minister of Agriculture have pointed out, we have to sell off-shore, and getting offshore means that we have to go to either Vancouver, Thunder Bay, Churchill, or Prince Rupert. I want to come back and talk about ports in a moment. So our markets are offshore, therefore we have to be concerned with the transportation system that takes that grain from here to whatever port you're talking about, to get it on a boat and to its destination. What we need to have more interest in and more knowledge of, quite frankly, is the ocean freight situation, because that can have a major impact, not only upon the amount of demurrage you pay but in fact whether you can line up the kinds of ships you need at the time you need them. It's one of the areas we're going to be doing some more work on.

It also depends, Mr. Speaker, on the kinds of markets, and that will depend on your transportation system. The larger the market in bulk, such as China and Russia, it's perhaps a little easier to serve in a transportation sense, because they're taking large quantities, using larger tonnage vessels, and moving grain fairly substantially. The more difficult markets to serve, from the transportation point of view, are sometimes those specialized markets, but indeed those smaller markets that are not as easily served not only because of transportation but because of the question of sorting, blending, and whatnot that goes on now in our terminal elevators.

The other important thing in marketing that's important to us in transportation is that we have to have some continuity of markets. In other words, we have to know well ahead of time where those markets are going to be and then how we can help to plan our transportation systems right back to the farm gate. The question of whether that market is going to be an ongoing one so you can put facilities in place to service that market is an important consideration.

Let me re-emphasize what the Premier has just said: we are a residual supplier of grain. If we think about that for a moment, it is axiomatic that if we're a residual supplier of grain — and we are — it's surely critical to have our supplies of grain in place and in a position where we can move into that residual market effectively and quickly. If we can't do that, we won't make sales. In the past what has cost us a great number of sales is not having that ability to move quickly and effectively into a market that opens up.

So marketing has an impact on transportation. Naturally the reverse is also true: transportation has an impact on marketing — the availability of those markets. The confidence that our customers have in our ability to transport and move grain through a terminal in an effective and efficient way is very important indeed. In the past it has cost us sales abroad, because frankly the customer didn't have any confidence that we had the capacity to do that. Surely a challenge in any grain-marketing strategy that Canada should be working on is to ensure that we have that, that we don't lose the confidence of our customers because we haven't the ability to move grain effectively, efficiently, and quickly. The other important impact that transportation has on our markets is the stability of those markets, because if we can show that we can improve our transportation systems, that we are serious about improving and

rationalizing our systems, we can gain that confidence and give ourselves the stability in the market place that we need so much.

Now, Mr. Speaker, I want to be fair about this. I think all hon. members should appreciate that a major number of improvements have occurred in the transportation system over the years. Part of this has been a direct result of WEOC in Calgary a few years back. That is one of the positive things that has happened. We're not quite happy with all the other things that have happened, but I want to be as fair as I possibly can. Rail rehabilitation has taken place, particularly on our main lines. The new \$100 million the federal government put in for other than main line rehabilitation will have an effect on our ability to move grain into market. But certainly the amount of money both of our major railways have spent in the Fraser Canyon has been substantial. The rehabilitation of those two main lines is really a positive move forward, and has enabled Canada to almost double the amount of grain they physically could move into export positions in any crop year. So that's important.

The next major improvement over the past several years has been the availability of hopper cars, half of which were supplied by the government of Canada, half by the farmers of western Canada. But those 8,000 hopper cars, Mr. Speaker, are equivalent to somewhere between 12,000 and 15,000 of the older style boxcars. So we have had some improvement in our rail rationalization and in the system itself.

Now we need some more major improvements in that system. We need to continue the rail rehabilitation Mr. Justice Hall talked about, that we've all been talking about. We have been and are talking about the feasibility of the use of block trains, and they're almost like a unit train; the question of having adequate, efficient, and modern terminal facilities that have a high throughput, where you could load the very large vessels that are coming in in a minimum time; all the matters I discussed briefly the other day in the Legislature, relative to our interest in Prince Rupert. The fact is that at Prince Rupert we need a high-throughput elevator that will meet the kinds of sales we're going to be seeing in the Far East, meet them effectively and efficiently, in such a way that as customers they will have confidence in our ability to supply that market, in such a way that that market becomes available to us on a longer term basis with some more assurance than we have today. Prince Rupert is an obvious one. We intend to continue our interest in that matter, as I said in the House the other day. We intend to follow it up. We will be pushing very hard to ensure that facility gets built in Rupert. It has all the advantages I listed the other day.

We're willing to have a look at the question of freight rates. But we're not willing to have a look at them until we see the other sides of these coins. It's a kind of triple-sided coin, Mr. Speaker. On the one hand we have the producers who have the advantage of the statutory rate; on the other we have the railways which have been using an initiative to try to divide the farm community, to try to get rid of the Crow rate and do something else. We have the federal government trying to skitter around the problem by talking about Crow benefits, at the same time refusing to take up some of the other very obvious and natural suggestions that the Hall commission

made relative to the question of the PRA.

It all goes back to having a system that moves your grain into an export position effectively and efficiently. We see the PRA as the major way to get that done, because the old CTC has not given us those kinds of results anywhere in a competent way. So we want some input from out here to ensure that rehabilitation takes place, to ensure we have some opportunity that our transportation system does not become outmoded as it has in the past, but that we keep up to date with it. If we do these things, Mr. Speaker, we will be able to ensure that we have our fair share of the expanding world market for grain that some foresee.

Back in 1972, Mr. Speaker, in a speech relative to the marketing of grain I said that production was really no longer a problem in western Canada; that if the demand was there and the price was at least on the profit side of the ledger for the actual producer, we could meet almost any expansion in production that was required. We have expanded our transportation system to handle an increased amount. The addition of Prince Rupert and the rail line there, and a minimum of 100 million additional bushels going through Rupert, would really expand our capacity in the transportation system to meet those expanding markets as well.

I'm sure farmers in Alberta are not saying to governments, subsidize us some more. Particularly in Alberta, farmers are saying to governments, give us some wise counselling as to how we can best operate. Be wise yourself in the investments you might make, so that it will improve our income, not necessarily subsidize our income. Those are the kinds of people we represent in this province, and I believe that we'll come forward.

Just one final thing, Mr. Speaker. At another time I'll take the opportunity to talk about variable, compensatory, and competitive rates as they apply to railways and how we should be cautious and on guard relative to what they might come in. I can't help, though, but respond briefly to the Leader of the Opposition in the minute or two that I have left.

On-farm storage may be very well. But he and all of us should look cautiously at that, in the view that if we have it on the farm, we really don't have it in a position to move effectively and efficiently into the market place of the world. So let's be cautious about that kind of program by itself. Let's have another look at using the inland storage we have here now. Up to 25 per cent of its capacity has never been used. Let's have another look at assessing whether or not we need to clean as much grain as we've been cleaning, remembering that flour mills in other parts of the world like to have a little dockage. Sometimes that's their profit margin. Let's not have our elevator companies keep it all here, because that's really what they're looking for.

I can't help but just finalize by talking about. . . I'm sorry I missed the motion by my hon. friend from Bow Valley the other day on financing farms. I'd like to relate to you that when I was first elected to this Legislature in 1967, the day after that election their old farm loan board dried up. They never put any money in it that I knew of for the four years when I was here. I think he must have been swallowing hard the other day when he was making his motion.

Thank you very much, Mr. Speaker.

MR. TRYNCHY: Mr. Speaker, I beg leave to adjourn debate.

MR. SPEAKER: May the hon. Member for Whitecourt adjourn the debate?

HON. MEMBERS: Agreed.

MR. SPEAKER: It's my understanding that the hon. Government House Leader intends to ask that the Assembly resolve itself into Committee of Supply. Do hon. members agree that when they reconvene at 8 o'clock this evening they will be in Committee of Supply?

HON. MEMBERS: Agreed.

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

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

head: **GOVERNMENT MOTIONS**
head: (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'd like to begin the examination of the Hospitals and Medical Care estimates with an overview of the portfolio. In particular, I would like to commence by announcing new or expanded programs for the hospital and nursing home system in Alberta. Substantial increased funding will be available to the hospital and nursing home system in Alberta for equipment, ordinary maintenance, and special programs. These will include: increased operating support in the amount of \$5,710,758 for 550 new auxiliary hospital beds and 229 new nursing home beds that will be in operation this year; increased funds for expansion of the perinatal program for mothers with high-risk pregnancies and very premature infants, with particular emphasis on the expansion of this program in Calgary.

A home care program for citizens suffering from hemophilia will be funded. This will allow patients to administer cryoprecipitate in their homes, rather than attending an emergency or outpatient department in a hospital.

More money will be injected into the system to upgrade and replace needed equipment. A provision will be made to increase funding for such items as laboratory computers, radiological equipment, incinerators, stand-by boilers, and so forth.

Mr. Chairman, of course the Legislature is aware that comprehensive cardiac care programs and cancer programs will be funded through the Alberta her-

itage savings trust fund.

In keeping with the Alberta government's policy, the total operating funding to active care hospitals in Alberta is being increased by \$34,289,000, or 8.6 per cent above the 1977-78 funding. For longer term chronic care, the increase is \$7,029,064, or 13.6 per cent. Therefore the announcements made at the beginning of my overview on Hospital and Medical Care estimates today are consistent with the objective of maintaining sound management of expenditure increase for hospitals in Alberta, while providing additional support for important special programs. The continued objective is maintaining Alberta's position equal to the highest quality facilities and services in Canada.

Mr. Chairman, I'd now like to turn briefly to a general report to members of the Assembly, an overview of the Hospitals and Medical Care portfolio. I'd like to begin by filing with the Legislature a copy of the new departmental organizational chart. I would point out to hon. members that whereas it is the organizational chart for the new Department of Hospitals and Medical Care, it is intended to be flexible to accommodate future circumstances as well.

In addition, the management committee of the new Department of Hospitals and Medical Care has now been structured. Of course, it will have a rotating chairmanship by the two deputies, Mr. Chatfield and Dr. MacLeod. It will form the basic committee of the new department to ensure integration and co-ordination of policy development in the hospital, medical care, and health care insurance sides of the department.

Mr. Chairman, hon. members should be aware that there are areas in strengthening the new department, particularly in the areas of hospital and nursing home construction control, which require the recruitment of very key staff members with particular backgrounds in architecture and engineering. In particular, at May 8, 1978, the department is in the process of recruiting and finalizing some very key positions. To name three of them: an assistant deputy minister, a director of institutional operations, and a director of design and construction.

Mr. Chairman, in the area of ongoing policy review and development, now that the new department is organized and successfully on its way, of course the need for policy development for the longer term is essential. In that area, I would like to file with members of the Assembly copies of the membership and terms of reference of the Hospitals and Medical Care advisory committee. The MLAs have been chosen for this committee. Other members have not as yet been chosen for that particular committee. We have just recently finalized the general composition of the Hospitals and Medical Care policy advisory committee and have appointed, of course, the hon. Member for Sedgewick-Coronation as chairman, the hon. Member for Lethbridge West as vice-chairman, and Dr. Winston Backus as an MLA member of that committee. I'd like to file that with members of the Assembly along with the terms of reference.

Further policy areas: under the chairmanship of the hon. Member for Grande Prairie, Dr. Backus, we are looking at rural health care facilities policy development. I would like to file for hon. members copies of the terms of reference and composition of that committee. As well, I'd like to file terms of reference and

composition of the committee on the economics of health care, chaired by the hon. Member for Lethbridge West, Mr. Gogo, examining some very important questions in that area.

The nursing home report which was done by the hon. Member for Sedgewick-Coronation and the chairman of the Hospitals and Medical Care policy advisory committee will be tabled in the next few days in the Legislature in the appropriate time for tabling and filing reports.

At this time, though, Mr. Chairman, I would like to file what I think is a key document for all hon. members of the Assembly. It is the document that really spins off from the entire reason for reorganization, for the creation of the Department of Hospitals and Medical Care. It is the key document which results from the holding pattern declared in March 1977. It is our intention to distribute this widely to the hospital and health care community for purposes of discussion. The document is entitled Planning and Control of Capital Projects, a discussion paper hopefully leading to finalization of policy in that area by late 1978.

Mr. Chairman, I'd like to turn to budgetary overview and say, as I've said in question period in the Legislature, that the objective of the budgetary policy for the hospital system in Alberta in 1978-79 is that hospitals should be able to maintain their existing level and quality of service. Having said that, when the total budget is granted to an individual institution, it's possible that through errors, mathematical or otherwise, an individual institution may be able to convince the department that they are not able to do that. That is why we have an appeal process.

Hospitals throughout Alberta can appeal until May 15. Those appeals will all be heard, and decisions will be made around the end of May to the beginning of June and only at that time, because we also have further funds to flow in equipment formula, in special programs, in *ad hoc* equipment. Only at that time will the hospitals in Alberta know what their final, total budget is.

In the meantime, the deputy minister has said in direct contact with hospitals, and I have said publicly, that while it would be appropriate to make administrative efficiencies, not to hire additional staff, we would not consider it appropriate in Alberta for hospitals in fact to be cutting back service until they know what their final budget is. That won't be known until the time frame I've indicated.

Mr. Chairman, I'd now like to provide members of the Assembly with the updated list. To this point I think 36 hospitals in Alberta have appealed their budgets. All those appeals will be heard, decisions made and communicated within the time frame I indicated.

Mr. Chairman, I would like to report the matter of bed closures to members of the Assembly, because it's very important that we put this in the context of our total capacity in Alberta. First, I think the actual figures at January 31, 1978, indicate that in Calgary the number of beds closed for what the hospitals have said are budgetary reasons is 94; in Edmonton, 45; for a total of 139. Outside of Edmonton and Calgary, no beds in Alberta are closed for expressed budgetary reasons. That represents 26.7 per cent of the actual beds not operational in the hospital system in Alberta at that particular time. Mr. Chairman, 74

per cent of beds that are not available or not operational are for other reasons: conversion to other uses, new beds that are currently not assigned for purposes within hospitals, beds not in use, closed for renovations and construction, closed beds in a federal hospital, the Charles Camshell. The important point I want to make is that while we have some beds closed for budgetary reasons, they are a small percentage of our total capacity; many more are closed for other reasons.

Nevertheless, Mr. Chairman, I want to say to members of the Assembly that the key factor we have to assess in our province, with the buoyant economy and the dynamic population growth, is to watch very carefully to assess whether, although we're starting with more beds than we need for our population, in fact in Calgary and Edmonton we might have to open up those beds on a phased basis, as I've said during question period in the Assembly.

Mr. Chairman, I'd now like to turn to the provincial bed comparisons. Our ratio in Alberta is 6.21 beds per thousand population. That's composed of Calgary, with 4.71 acute care beds — and this is just acute care — Edmonton, 5.07 acute care per thousand population. The situation is reversed if we include total beds. In fact Calgary has somewhat more flexibility in total institutional care beds than the city of Edmonton, but it's a minor amount. In beds per thousand population, this is 6.2 beds in Alberta compared with 4 beds in Ontario, for instance. They are reducing to 3.5 beds per thousand for southern Ontario. In addition, hospital planners across the country state that the optimum bed ratio should be 4.1 beds per thousand in the cities, and 5.1 beds per thousand for the entire province. Of course, Alberta continues to be substantially ahead of those desirable planning figures.

Again I want to emphasize that the key thing we have to watch in Alberta is the population growth as a result of our healthy economy. In fact, if the population growth is more than we've anticipated, more even than the municipalities and cities are projecting over the next number of months, we might have to open up beds that are available in our system and accelerate longer term plans for additional facilities.

Mr. Chairman, it's also important that I bring to the attention of hon. members of the Assembly Alberta's funding policy for hospitals this year, compared to other provinces in Canada. Of the provinces that have publicly stated their operating budget increases to the hospital systems in the particular province, Saskatchewan and Alberta have the highest and most generous funding of hospitals. Saskatchewan has now indicated a 9.5 to 10 per cent increase. That compares to Alberta's 8.6 per cent; Manitoba, 2.9 per cent, nearly a clear 6 per cent less than Alberta; Ontario, 4.5 per cent; New Brunswick, 4.5 per cent; Newfoundland, 5 to 6 per cent. That all compares to Alberta's increase of 8.6 per cent, Alberta and Saskatchewan being the two provinces highest in Canada.

So I have to conclude that we have, and have maintained, excellent quality and capacity in our system in Alberta. The key will be to monitor very carefully our population growth.

Mr. Chairman, in the area of the capital budget, I think the throne speech was very clear on the fact

that we will be having the highest capital budget in our entire history over the next two to three years, I think in excess of \$5 billion in projects expected to be under construction during 1978-79. Further, in the budget we indicated that \$91 million in projects are expected to commence this year, in 1978-79 construction, which will be 112 per cent over the 1977-78 forecast construction expenditures. In '78-79 an additional \$68.6 million will be funded through the Alberta heritage savings trust fund.

We will be building facilities in rural Alberta, replacement and renovation of 150 beds per annum over the next three years. This compares with 65, more than double the number of beds per annum during the five-year period ending in 1969. Today I tabled, by request, Motion for a Return No. [131]. That return indicates we have facilities totalling \$91,194,000 currently under construction in rural Alberta. In '76-77 we expect to expend \$16,973,000 on those projects and in 1977-78, \$13,535,000. Those are all rural projects that are under construction in 1976-77 and 1977-78.

Mr. Chairman, obviously on March 31 a holding pattern was declared. At that time no further projects came into construction, but these still remain the projects under construction and upon which we are expending funds during those particular years.

Since January 1978, the following projects have been approved: Hinton General Hospital, Lynnwood Extended Care Centre, Rocky Mountain House General Hospital, Wabasca-Desmarais Health Centre, and Edmonton General Hospital. We've approved going to tender: Manning Municipal Hospital; Mary Immaculate Hospital, Mundare; and St. Joseph's Hospital, Edson — all since January 1978.

This compares with other provinces that are relatively at a standstill in capital construction. The only province with any significant capital construction at all is Ontario. They have three or four projects, I think, for their population, which is three and four times ours, a \$40 million capital budget. That's a pretty dramatic comparison for us to keep in mind.

Mr. Chairman, having dealt with the general operating and capital budget overview, I'd like briefly to go through the highlights of each vote in the briefing book. Hon. members will have their estimates in front of them and might want to refer to each one as I highlight it, beginning with Vote 1.

Vote 1, Departmental Support Services: the vote structure reflects the merging of the Hospital Services and Health Care Insurance commissions under a Department of Hospitals and Medical Care, and the organization of the department into a hospitals division and a health care insurance division with central administrative support. The vote provides for 20 new positions for the hospital services section of the department, mostly at the professional level, to strengthen planning and control of capital projects and to enhance supervision of standards of health care.

Vote 2, Health Care Insurance, provides for an 8.5 per cent increase in health insurance premium rates, effective July 1, 1978; a major increase in subsidy levels to assist lower income residents of Alberta, effective July 1, 1978; and a 6.47 per cent fee schedule increase to practitioners, effective January 1, 1978. Mr. Chairman, the total 21.4 per cent increase in the provincial contribution to finance the

health care insurance plan reflects our strong commitment to provide residents of Alberta with necessary health benefits at reasonable cost.

Vote 3, Financial Assistance for Active Care hospitals in Alberta: the 1978-79 increase over the '77-78 forecast is \$34,289,000 or 8.6 per cent. The funds committed to hospitals for active care support are as follows: the total budgeted is \$391,150,000; committed to hospitals for operations, 6.5 per cent of their 1977-78 global support, a total of \$384,949,050; committed to hospitals for new program expansion, 1 per cent of their 1977-78 global support, \$3,601,950; for a total of \$388,551,000. The reserve left for emergencies and appeals is \$2,599,000, for a total of \$391,150,000.

Mr. Chairman, it's important to emphasize funds flowed are based on the 1977-78 support levels and are for normal operating expenses or global support. They do not include such items as bad debts, major equipment, *ad hoc* equipment, extraordinary maintenance, specific programs, et cetera, which are funded from program support outside that amount.

The vote provides for increased funding for the full-year operation of newly constructed expansion to hospitals incorporating additional area services and air conditioning at Fairview, Islay, Provost, Peace River, High Prairie, and Bow Island. It provides increased funding for the new Brooks hospital which will be opened during the fiscal year. Perinatal, renal, cardiovascular, and other programs will be funded on a program basis rather than being a part of the general global support.

Provision is made for a substantial increase in the equipment formula provided hospitals, which restores purchasing power eroded by ongoing inflation. Similarly, a provision is made to increase substantially *ad hoc* funds for such items as lab computers, radiological equipment, and others that I mentioned earlier.

Provision is made for increased support to interns-in-residence programs, including geographic appointments. The increase is \$1,609,000, 14.3 per cent over the 1977-78 forecast.

In Vote 4, Mr. Chairman, the increase over the '77-78 estimates is \$7,029,064, being 13.6 per cent. Bad debts cover a 15-month period, resulting from a year-end change. The major equipment increase contains \$116,000 for incinerators at St. Joseph's and Allen Gray hospitals. There's a reserve for Dickensfield, which is expected to open, of approximately \$1.2 million, and a general reserve of \$172,000 in this vote.

There is also provision for operation of the 550 new auxiliary hospital beds I mentioned in my earlier announcement. Auxiliary beds will have increased, Mr. Chairman, by 19.7 per cent, from 2,790 auxiliary beds to 3,340 by March 31, 1979.

In Vote 5, Financial Assistance for Supervised Personal Care, the increase in funding to nursing homes shown by the estimates is [0.8] per cent. However, included in the 1977-78 forecast, which is the basis of comparison, are non-recurring items — prior year deficits, transfer of responsibility from social services, and emergency grants and appeals — which obscure the actual increase provided, which is 7.5 per cent.

By March 31, 1979, 229 new nursing home beds will be in operation and require funding: Calgary Bethany, 75 beds for the full year; Calgary Fanning Centre, 25 beds for the full year; Edmonton Dickens-

field, 100 beds for six months; Leduc Parkland, 29 beds for the full year. No funds are provided in '78-79 for the operation of several private nursing homes which may commence and complete construction within the year. Those are Salem Manor in Leduc and St. Michael's in Edmonton.

Mr. Chairman, I should point out to hon. members that the current co-insurance rate to patients is \$5 *per diem*. The estimates have been presented to the House on the basis of a 50 per cent increase in the provincial rate, but the cabinet has not made a final decision or passed the order in council for a further \$1 increase in the rate charged to patients by co-insurance.

Mr. Chairman, Vote 6, new construction, is a separate and new vote in the Department of Hospitals and Medical Care and was established for construction, planning, and related costs; for the clarity of presentation; and to facilitate increased controls of this type of expenditure. Facilities recently completed or continuing under construction add \$4,054,000 in 1978-79, being 17.2 per cent, to the debt charges transferred from votes 3, 4, and 5. Provision of \$900,000 is included in this vote for hospital planning assistance, planning studies, and establishing continuous controls over and review of facilities under construction. Included also in new Vote 6 is \$4,019,000, being a net 0.2 per cent increase over the '77-78 forecast for furnishings and equipment of facilities under construction.

Mr. Chairman, although I've taken some 25 minutes of House time, at this time when Hospitals and Medical Care is certainly of detailed and topical interest to the citizens of Alberta, I hope that those remarks, for a start to our examination of the estimates, provide a pretty thorough and detailed overview of what our policy and objectives are in the portfolio.

MR. R. SPEAKER: Mr. Chairman, in reviewing these estimates, I think what has to be said first of all is that certainly a large amount of money is being made available to hospitals. But I think the concern that we really have to express in this Legislature, certainly as MLAs who are attempting to listen to the people across this province, not only on hospital boards but the general citizenry — I think we must be aware of the concern that the people of this province have, concern at the method and technique of administering health care in this province. As I have checked with many hospital boards across this province, just as recently as today, and I've talked to a number of people, I find that it really wasn't the large concern with regard maybe to their budget. Maybe it wasn't the large concern with regard to extra facilities they required. But it was the concern with regard to the relationship between this government, the hospital board, and the people of Alberta. That's where the concern lies.

I'd just like to give a couple of examples. Hospital boards and hospital members I talked to would say: well, I really don't know whether I should talk to you, because the only way I can get money for my budget or for my hospital is to make an appeal to the minister and the government; if he ever finds out that I'm in the bad books or that I've given you some information, I could be taken to task in my operating budget; it could be reduced without any discretion and set in

a global manner.

We find 36 different hospital boards across this province with deficits. The minister has indicated that in this budget, if I recorded the figure correctly, \$2.599 million is going to be available in reserve to pick up any of the deficits. Is that correct, Mr. Minister?

MR. MINIELY: Let me check on it, just make sure that's right on.

MR. R. SPEAKER: Mr. Chairman, if that figure is correct we find that in Calgary and in Edmonton, one of the hospitals that I noted in one of the . . .

MR. MINIELY: Mr. Chairman, \$2,599,000.

MR. R. SPEAKER: So \$2.6 million is available. We find, for example, in a news article that I read here, the Calgary General, Rockyview, and Holy Cross hospitals say they will be short a total of \$3.6 million. Well, that's just one, just in Calgary. Thirty-some more hospitals across this province are in a deficit position and have to find money. Well, that's of great concern to them, because they are all coming to Edmonton to appeal. The minister has misled them into thinking they are going to get the money, but it isn't even in the budget. And we're going to pass this budget tonight, Mr. Chairman.

MR. MINIELY: On a point of order, I think it's fair to debate, but I don't think it's fair for the hon. Member for Little Bow . . . [interjections]

MR. R. SPEAKER: The minister had 25 minutes.

MR. CHAIRMAN: On the point of order, the hon. minister.

MR. MINIELY: I think it's perfectly fair to debate, and I believe it's a very important subject for Alberta, as we were indicating earlier. But I believe that if the hon. Member for Little Bow is referring to my misleading, he should be able to prove that.

MR. R. SPEAKER: Very clearly what I'm saying is the minister said to me in his own words that \$2.599 million was available to pick up the deficits in the reassessment process. That's an accurate statement. And I find that 36 hospital boards will be coming to the minister asking for their deficits to be reassessed. I haven't a figure on what their actual deficits are, but I know of one hospital I quoted a few moments ago, \$3.6 million. I think the Lethbridge hospital is \$500,000 short of funds. There's the Royal Alex: I find today that they think their shortfall is going to be \$1 million. The Calgary General, \$1.4 million. There are lots of them.

That's the one point, Mr. Chairman, that the hospital boards of this province have been misled. What about the second one?

MR. MUSGREAVE: Mr. Chairman, on the point of order about misleading. I don't think the member should use that expression. There's a fund there, but it doesn't necessarily mean that everybody is going to be able to meet their deficit from it. I think he should not use the word "mislead". [interjections]

MR. R. SPEAKER: Mr. Chairman, the whole thing is that the boards across this province have been given the commitment that they can come to Edmonton and appeal their budgets by the middle of this month. The thought behind making an appeal is that a deficit can be taken care of in the approach to government. [interjections] But if they feel they can't meet it, they should tell the people across the province that the deficit will not be met. Tell them to stay home and save the expense of travelling to Edmonton, because there's no commitment on behalf of this government. I'm sure \$2.59 million doesn't even meet the interest on the deficits of 36 hospitals across this province. That's one problem, anyway. Everybody can groan and growl all they want, but the fact is that it isn't very much money relative to the deficits in this global budgeting process.

Let's look at the second . . .

MR. GETTY: Mr. Chairman, on the point of order. I don't believe the committee is really going to progress well in the estimates of this department if the member is going to make comments about the minister misleading people. I gather now that he is withdrawing that statement, or at least changing the strength or allegation of it.

While I'm on my feet — I should have got up sooner, and I'll review *Hansard*. I believe the hon. member said there is some threat that if a hospital spoke to him as an opposition member, it would somehow affect its appeal before the government. I think if a member in this House, whether in committee or the whole House, is going to make that kind of statement, he should be prepared to back it up. [interjections] He's dealing with the honor and privileges of all of us when he does it.

MR. R. SPEAKER: Mr. Chairman, the hon. minister can say what he wants, but that's the feeling I get from the people. That's what I've said. [interjections] That's the whole thing. If I can feel the impression, and I'm listening to the people more than this government does, I should be able to express it in this Assembly. That's what I'm doing.

MR. GETTY: Mr. Chairman, that's a different point, if he's getting the feeling and he wants to feel that something. But he stood up and said that some hospital board member or somebody representing a hospital is telling him that if they talk to him as an opposition member, somehow their appeal will be affected. I think a member of the House — and I have great respect for the member who is talking; I've been in the House with him for 11 years. Maybe he got carried away in his enthusiasm. But he is doing no credit to this committee's study of the estimates by taking that tack and making that kind of allegation unless he is prepared to back it up, because he is casting aspersions on all of us.

MR. CLARK: Mr. Chairman, speaking to the comment by the hon. Minister of Energy and Natural Resources, the hon. minister knows very well that once this Legislature approves the money, every last cent most hospital boards in this province get is from the minister. Now my colleague from Little Bow has indicated he has had boards say to him that they felt that if they spoke to the hon. member and it became

public information, he named the boards, in fact they wouldn't get favorable consideration for their budget. I've had the same feeling expressed to me. If the Minister of Energy and Natural Resources thinks I'm going to stand here tonight and tell him which hospital in Edmonton told me that, he's plumb off base.

MR. KIDD: Mr. Chairman, as a dumb old engineer I thought the estimates were not a time to have feelings, but to get the facts. Let's look at the facts. I read them right here. We're looking at Vote 1, the increase . . .

DR. BUCK: He is speaking on a point of order, Mr. Chairman. What is the point of order?

MR. KIDD: Mr. Chairman, my point of order is the concern about feelings at the time of budget discussion. When we're discussing the budget, we're not discussing feelings, we're discussing facts. And the facts are right here in the estimates. [interjections]

MR. CHAIRMAN: Order please.

MR. KIDD: Let's talk about facts. The facts as I see them in these estimates are the increases apparent here, this year over last year.

DR. BUCK: He is not speaking to a point of order, Mr. Chairman.

MR. CHAIRMAN: He is speaking to a point of order. He is speaking to actual funds in this budget, the differential between what is said and what is listed in the budget.

MR. NOTLEY: Mr. Chairman, first of all I'm a little concerned at the point of order raised by the hon. Member for Banff, because we are now discussing the estimates. We're discussing supply. One doesn't need to be a great expert in parliamentary procedure to know enough history of our parliamentary system to understand that during a discussion of supply to Her Majesty, we can discuss anything relevant to that department. If hon. members across the way don't like it, that's too bad. If that involves feelings, so be it. But during the discussion of the estimates, there is absolutely no question that as long as we're dealing with the Department of Hospitals and Medical Care, all relevant matters can and, for that matter, should be raised.

MR. CHAIRMAN: Hon. Member for Little Bow, do you wish to continue?

MR. R. SPEAKER: Mr. Chairman, yes, I wish to continue. If we want to put it in terms of facts and so on, the fact of the matter is that I listen around the province and attempt to perceive attitudes across the province. That's what politics is all about. Representative government is about attitudes, listening about attitudes, and attempting to bring them to the Legislature. Attitude can often be interpreted as a feeling, how I feel people reacting to something. That's the way I express it. I think that's representative government, and to me that's representing the people of Alberta.

So I don't see how the hon. Member for Banff can

even make the statement he made. As I examine it, the fact of the matter is that a lack of trust, an uneasiness, and a fear have been created across this province, because the big hand of government, of the minister who controls the funds, is involved in every hospital operation across this province. Most likely we can say, he's supposed to do that. But it's getting so they can't even make some of their day to day decisions. I think that is of great concern, Mr. Chairman.

Let me just talk about a few specifics in the whole thing, rather than the attitude I get. The attitude is the most serious one, because if people across the province, hospital boards or citizens, can't get to their government and consult or get progress, we don't have good government.

Let's talk about a few of the facts. At the present time we talk about the quality and quantity of care here in Alberta. I had a phone call today from one of my constituents. I've had a number of them, the most I have had in 15 years as an MLA, with regard to the fact that my constituents couldn't get into a hospital to get the attention they require. If we do a bit of examination, we can understand that. For example, waiting lists in Edmonton are over 5,000 at the present time; in Calgary, Rockyview and Holy Cross, 1,852, up 204 from last year; Calgary General, the information I have is 2,290, up 345. We say there are a number of these, and most of them are elective. That's accurate. But some of them are not.

But relative to this, the concern raised with me today was that a young fellow, a farm boy who has farm work to do, has a hernia. I don't understand all the complications of that kind of hernia. His father was very concerned that he couldn't get the necessary operation. He said, I can't get the boy in until July. I said, let me phone the doctor to see what I can do. I phoned the doctor, and he said, that's right, I have a large number on the waiting list. He said, what do I do, leave somebody else out and put him in? I said, what's the reason for it? The reason for it, Mr. Chairman — this is the big concern, and this is with regard to the Foothills — he said: since the global budget has been announced, Foothills has had to cut back on some of the operations; it has made the waiting list longer; there's just no way to get him in. He said, I've got many cases like this; we're getting phone calls every day about people wanting to get into the hospital.

That's the concern out there: the concern from the citizen level, the concerns from the board, a feeling that the Conservative government of this province doesn't really care about health care. Doesn't really care. They're operating and controlling it themselves from the central level.

What about other things? The 1978-79 expenditure of this department is down: 1976-77, 19 per cent; 1977-78, 19.7 per cent; 1978-79, 18.5 per cent. The amount of money available is going down while costs are going up in the hospitals. How does the minister justify that kind of thing in a quantity of health care for the people of Alberta?

MR. KIDD: Mr. Chairman, point of order. I don't know how the Member for Little Bow justifies the comments he just made.

DR. BUCK: Well, that's your problem, Fred.

MR. R. SPEAKER: If the hon. member wishes to debate, stand up in the House, and indicate there's lots more money available and everything, fine. Go ahead.

We talk about the global budget process. I have nothing against it. We initiated that concept in 1970. But I think it's the way the global budget is applied across this province which is of concern. We have ministerial autonomy over local board autonomy. I think that's where the concern is; the concern that, really there isn't any decision-making at that local level.

What are the guidelines that go with the global budget? What kind of care should be given at hospitals of different sizes? Those guidelines aren't available from the department. It's not clear what really happens. We wonder when consultation started.

I remember two or three years ago when the minister toured the province, I had him down in my constituency. He went to Vulcan, High River, and many other hospitals across southern Alberta. One of the comments he made really excited me. To the board chairman he said, any time you want to call me, you have an open line into my office. Well, Mr. Chairman, that was the last part of the consultation that occurred. Following that time, they couldn't even get a letter, never mind a phone call.

Just two or three months ago I got fed up and so upset about the whole thing that, in order to get a letter from the minister, I had to phone the Premier's office and say, tell the minister to send a letter to this particular hospital so we can get the thing on the road. The minister was certainly upset about that. But we couldn't phone him, so we had to go to the Premier and tell him to send a letter. That was part of the global budget process, the discussion, and consultation that go on.

It's indicated to hospitals that the increase is 6.5 per cent, compared to last year's estimate. But when we examine this budget, it's very interesting how the government does its comparisons. The percentage isn't compared to last year's estimate, it's comparable to last year's forecast, which is much different from last year's estimate. If we would allow some of these hospitals having deficits in the 1977-78 year to forecast their actual cost in that year, then add the 6.5 per cent to it, maybe they could meet their needs at the present time.

One rule for the government and another rule for the hospital boards, Mr. Chairman. If you think that's acceptable — well, it certainly isn't. But that's just the way this government operates. That's why this minister builds a distrust and lack of confidence between him and the hospital boards in this province. He treats them differently, not the same as a department of government. I think that certainly has to be challenged.

I've already made the point with regard to the global budgets and the 27 hospitals with deficits, how concerned they are. I wonder how we're going to spread that \$2.5 million among 36 different hospitals that will be making good, honest submissions to the minister, attempting to meet their responsibilities at the local level. They might as well be told that only \$2.6 million is available to be divided. That's it, they're going to go home short, and they have to think

of some other way of answering the question. The only answer is closing beds, cutting back on quantity, because I know hospital boards in this province will not cut back on quality. So we're going to have longer waiting lists, longer periods of time before health care needs can be met.

That's the type of administration we have here in this province, a very unfortunate thing. When we hear the statistics given to us tonight by the minister, which indicate the level of expenditure we're making in this province, how we're spending more on capital and operation than any other province, that's great. But just think of the effect it's having at the local level.

Let's have a look at capital expenditures and the confidence that's created between the minister and the boards in this province. Unlocking the freeze: I read the news articles after the minister made his tour to a number of places, and the comments are very interesting. I'd like to relate these comments for the hon. Minister of Energy and Natural Resources, so he understands the type of thing when I mention the words "fear", "concern", or a "lack of confidence" in the minister, where this fear and concern is created.

Let's take the trip to Lac La Biche, for example. The news article says, in quotations, so I assume the minister has said this: "A 10-month freeze on hospital construction in Alberta ends Friday — but the thaw will be gradual." Well, that's all right. He indicates progress will be made with regard to the Lac La Biche hospital. "We will continue to study your plans thoroughly," he told the board of Lac la Biche General Hospital on the first day of [his] tour ... The article goes on, though — and this is where I'm concerned and where this lack of confidence and fear are originated:

The minister also indicated that hospital boards may be asked to collect funds for "frills" from local taxpayers, although no final decision has been made.

It's a threat that's there.

Let me exemplify that by two other articles and two other statements made in the press. I can only feel that these are supported, and that the press is very accurate in these cases. With regard to the Pincher Creek hospital:

Miniey told a group of civic officials and representatives of the town's medical community that with the expiration of the hospital construction freeze today, planning for the new hospital can proceed.

That's great, but two paragraphs down it says this:

Miniey injected a note of caution in his announcement, saying the government would be watching each stage of planning closely to make sure plans would be "reasonable."

He's saying, either you are reasonable or we're going to put the finger on you. Well, if that isn't a threat, what else is it? [interjections] That's the kind of thing that's there.

The boards really don't know what to do. They say, should we build this, should we add this, we have to check with the minister. [interjections] So there are threats continually, all the time. Cardston, for example: there was supposedly going to be a drop in cost with the Cardston hospital. The indication here in the article is that because of the delay there isn't a

drop in costs.

Mr. Chairman, that's the kind of thing that's of concern here across the province. Those things create this lack of trust in the government and the minister. No matter how good his plans are, confidence is not communicated to the local level.

I think, Mr. Chairman, we can be very upset with this whole presentation and treatment that hospital boards are getting across the province. I think it's incumbent upon the minister to build that confidence and to show the people in the local boards in this province that there is a trust and that they can really run their own affairs. But up to this point I'm convinced that that doesn't happen, and that it will take another minister and a change in government to make that possible in the province of Alberta.

At the present time, we have heard for three years about plans, actions, and things that were going to happen. Certain announcements were made here this evening. About the only one I can really have confidence in is the one about nursing home dollars being made available. But with regard to these new hospitals and facilities that are going to be built, we're not sure how long that's going to take, because planning and checking by the minister are involved. Mr. Chairman, that checking can delay projects for years and years and years.

I talked to one of the boards today. I said, you've been promised a nursing home; you were promised a hospital earlier; how long do you think it's going to take to get the nursing home off the ground? He said, it's going to be planning for a year, but I don't know how much longer. And he said — this is the other comment, and I would like the Minister of Energy and Natural Resources to hear this comment from this fellow. He said, you know, I hate to go uptown any more, because every time I go to town people are on my back saying, when are the new hospital and the nursing home coming? And he said, I've got to keep saying, we're planning and we're working on it; we've just rehired the architects.

That's the kind of thing that is out there, Mr. Chairman, a total lack of confidence created by this minister. As long as the minister is in the portfolio, that's the way health care in this province will be administered, with lack of confidence with the people, an inability to communicate, and dollars going every which direction. And I'm not sure that we'll have the good local involvement which is needed in the hospital and health care system of this province.

MR. NOTLEY: Mr. Chairman, when the minister began his introductory remarks, he compared Alberta and Saskatchewan to some other places in Canada. Quite frankly, I would hate to see the day when, in terms of our hospital and medicare commitments, we have to start using places like Newfoundland as a comparison, considering their present fiscal problems. For that matter, when I look at the new government of Manitoba, which this year has allocated only a 2.9 per cent increase, I would hate to think we would have to use that as a comparison. I was in Manitoba several days ago . . .

DR. HORNER: [Inaudible] squandered the money.

MR. NOTLEY: Oh, that's nonsense. The other day I was in Manitoba, and this 2.9 per cent increase had

created all sorts of problems. For example, in order to meet the economies of a 2.9 per cent increase, one of the major hospitals in the city of Winnipeg had decided the only route they could take was to change the sheets once a week except in emergency situations. That kind of cutback in service is taking place in our neighboring province of Manitoba. So the examples being cited of Tory policies in Newfoundland, Manitoba and, for that matter, Ontario, where they have a 4.5 per cent increase, are not something we should use as a guide at all.

Mr. Chairman, in discussing the estimates tonight, the first point I'd like to raise is this question of appeals. The minister has advised us that to date 36 hospitals that we know of are appealing. They have until May 15, so in all probability we're going to see that rise somewhat beyond 36. Last year I understand that the bulk of the 34 hospitals that appealed were rural hospitals. Very few were urban hospitals. This year the mix has changed.

So the question really has to be raised, Mr. Minister, and I say this very seriously. I don't believe that in considering your estimates we can look at \$2.6 million as being anything like enough. I know one particular hospital in my own constituency will be visiting the minister, and I think it's a very modest hospital in terms of budget. They're looking at about \$100,000 that will be required. When you add the big city hospitals that are lining up at the minister's doorstep now, with deficits of anything from \$1 million to \$2 million plus, \$2.6 million simply isn't going to go very far.

Mr. Minister, no matter how the members in this House may want to ignore this particular issue, there are only two options. If the \$2.6 million you have allocated is insufficient, you're either going to have to ask for special warrants, in which case we'll have the cabinet voting money that should properly be authorized by the Legislature; or the other alternative is that the \$2.6 million will have to be spread among 36, 40, or however many hospitals have come to see the minister to appeal their allocation of funds in the current budgetary year.

Mr. Minister and members of the committee, I believe the minister indicated that only 129 beds had been cut back to date for budgetary reasons. However, we have to ask ourselves what the impact will be if this \$2.6 million is all expended, and we've got \$25 million or \$30 million worth of requests. I raise that issue because, for example, under district nursing homes we have an 8.1 per cent reduction this year. The minister says that isn't really a reduction, because it is taking care of accumulated deficits in past years.

Mr. Minister, that's the point, you see. By the time you get all these hospitals — and we're talking about big city hospitals as well as smaller rural hospitals — before you and your appeal board, we're not going to be looking at \$2.6 million. It's going to be substantially more than that; alternatively, it's going to mean a cut in services. Mr. Minister and members of the committee, if it's going to be more, why don't we make provision for it in the Legislature instead of having to see either special warrants being passed after the fact or, alternatively, the cutbacks which will inevitably accompany inadequate commitment for the appeal procedure.

Mr. Chairman, when he has an opportunity to

respond, I'd like the minister to advise us just where things stand on last year's appeals. There were 34 of them. How many of the appeals were in fact upheld? What was the average amount? What was the total amount of the appeals? Obviously the department must be using this as a guide, but again, considering the composition of the appeals this year compared to the composition of the appeals last year, I think that is a pretty faulty guide. But I think we should know just where these appeals stand, because we now have notice of appeals all over the province. In my view we should know precisely what the government does with those appeals in individual cases.

I'd like to move from there, Mr. Chairman, to deal with this question of the hospital guidelines. It seems to me we have a responsibility as a government to come up with those guidelines, and we really should have had them in place by now. The minister can say it's a very difficult proposition to develop these guidelines and it requires time and so on. But in the meantime we have lifted the freeze. So we're going ahead with the construction of hospitals this year. The freeze has been lifted, so hospitals at Pincher Creek, Vermilion, Viking, Banff, Cardston, et cetera, are all going ahead, but without any guidelines. I really think that's going to put the hospital boards in an extremely difficult position. The minister says we're going to use historical experience as a judgment. Well, as I understand the minister, an historical experience led to the freeze last year. A \$40 per square foot cost had doubled to \$80, so the minister said, hold the fort, we're going to put a freeze on.

Well, Mr. Chairman, what are the guidelines? Again, it seems to me that as members of this committee we have a right to have a more definitive position of where we stand on these guidelines before we vote supply. You know, in the question period a month and a half ago the minister implied, at least as I understood him, that there was not going to be any major problem in meeting a fall deadline. But as I listen to him tonight, I thought there was a bit of hedging. I hope not. It appears the target day is still the fall, but are we guaranteeing it's going to be in the fall, or is it going to be next year? If it's going to be next year, is it going to be before or after the election? Then we get a new minister, you know. When are we going to get these guidelines? In the meantime we have various hospital projects in stages of construction without the guidelines they've been waiting to receive. When the minister put the freeze on a year ago, he indicated we were going to have guidelines spelled out so that we would have, I suppose, more Chevrolet hospitals and fewer Cadillac hospitals.

Mr. Chairman, I'd like to deal with several other issues. The question of where we go in the future and the concerns of some hospitals about their relationship with the minister is one for which I don't have a great deal of sympathy, for all the heat and sound and fury from some of the members opposite. Last fall when we debated the bill that did away with the Hospital Services Commission and the Alberta Health Care Commission and brought everything under the direction of a department responsible to the minister, the minister accepted responsibility very clearly without any question of doubt. The proverbial buck stops at the minister's desk. Therefore the minister is going to have to be responsible for the

facts that the hon. Member for Banff is concerned about, the feelings the hon. Member for Little Bow is concerned about, and the frustrations countless hundreds of people in the hospital area, and I might say the medicare area as well, are concerned about.

I don't want to refight the battle of last fall, Mr. Minister, because this government decided to go in the direction of eliminating both commissions. But I think I should just make this observation: the whole concept of the commission approach, the approach of a buffer, as far as both health care and hospitalization are concerned, was not something that developed accidentally.

Mr. Chairman and members of the committee, the question of the health care commission concept arose as a result of one of the hardest fought battles in the history of Canada, the very significant Saskatchewan doctors' strike in 1962. Without going into long history, just summarizing it in 1962, when the first medicare legislation in North America was enacted, the whole concept of medicare was responsible to the minister of health. The doctors took the view that they didn't want political meddling, and they went on strike. To their credit, the Saskatchewan government, under Mr. Lloyd at the time, brought in one of the most eminent people from Great Britain to act as mediator between the doctors and the government. The result of that mediation was the establishment of a medicare commission which served as a model for other parts of the country, so there would be a buffer between the political leadership of government on one hand, and the medical profession on the other.

Small wonder that members of the College of Physicians and Surgeons have some concern about the elimination of the commission; that there is at least some concern among hospital people too at the elimination of the Hospital Services Commission. Again, that battle was fought last fall, but again the flak, the fall-out, and the waves that come from making that kind of decision are going to continue to sweep against the minister's door. Frankly, I think it was an incorrect decision, but the minister is going to have to live with it. One of the consequences of living with it will be that any future Minister of Hospitals and Medical Care is going to continually find himself or herself in the political hot seat. I suspect the minister is probably not overly concerned about that, because surely he would have taken that into account before making the moves made last year.

Mr. Chairman, a couple of additional points I'd like to make in a general way. First of all, I think the whole issue of access to the local taxpayer should probably be discussed during the minister's estimates. I would have to say to the members of the committee that when these changes were proposed, I believe in [1973], by the now Minister of Labour, then Minister of Health and Social Development, I had some concern about last dollar funding. I felt there probably was merit in access to the local ratepayers, that that kind of access would give the hospital boards some legitimate autonomy.

I also have to say I've had considerable representation from some of the smaller hospitals that have advised me that if we went the route of access to the local taxpayer, one of the problems is that it would make it possible for the government to curtail its increase in the allocation of operating expenditures and that more and more of the responsibility would

be shifted to the local taxpayer. That's clearly a fear I know a number of hospital boards have about moving at this stage toward access to the local taxpayer.

My attitude five years ago was pretty clearly one of saying there should be some access. I certainly see the arguments for it in terms of the autonomy of the board. But that creates a very real problem. I think we may very well find part of the operating costs of our hospitals shifted to the property tax. Not for the frills we keep talking about, Mr. Chairman, because I just don't believe much of this propaganda we hear that we have hospital board members who are careless with the taxpayers' money. In any group of people, you are going to have some irresponsible ones, but the vast majority — I know the hospital board members in all three hospitals within my constituency are about as cost-conscious as you could possibly imagine. So by and large, I think this business of too many frills in our hospitals has been vastly overblown.

Let me just say one other thing about hospitals before moving on to a slightly different topic. We talk about hospital beds. We are not in a bad position compared to other parts of the country. In total beds, the Statistics Canada figures I have is that we're at 7.5 per thousand, a full one bed per thousand behind the province of Saskatchewan. When it comes to active treatment hospital beds, the Statistics Canada figures I have, Mr. Minister, show us fourth, at 5.7 per thousand, compared to Saskatchewan, with 7.6.

MR. MINIELY: What year was that?

MR. NOTLEY: I believe those were 1976 figures, Mr. Minister. I can just check those figures and give them to you later.

So while we are certainly better off in terms of active treatment beds than other parts of the country, we have some distance to go to catch up to the leader in that category. And as I say, from these other figures we seem to be lagging behind in active treatment beds. I don't know if the minister can find a distinction between acute beds and active treatment beds. I noticed he used the term "acute beds" in his figures.

Mr. Chairman, the only other point I want to make to conclude my remarks is that at the Alberta registered nurses' convention, I had the opportunity of addressing one of the study seminars on the future of the health delivery system in the province. I think it would be fair to say to the members of the committee that I found a genuine consensus that surprised me, that we really have to move dramatically in the area of preventive health. The whole approach of emphasis on beds, whether active treatment, auxiliary, or even nursing home beds — that we have tended to see our health delivery system in the number of beds as opposed to an integrated delivery system, the emphasis of which would be on preventive health. Quite frankly, I know this doesn't come under the minister directly, but I think there was a fair amount of feeling among the nurses present that our modest home care program was really rather more modest than it should be, considering the importance of shifting to preventive health.

Those are just some general comments. I think we have a long way to go in improving the health care system. We cannot afford to be complacent. We

heard a lot about the word "complacency" earlier today, Mr. Chairman. I think it would be a pity if we became complacent in something as important as the health and hospital system of our province.

You know, although we can't claim this government is as complacent as that of Sterling Lyon — but of course nobody is as complacent as he is. Nevertheless there is an element of complacency in the budget today which I believe can only lead, Mr. Minister — especially when we come back to these appeals. When you get those 36 appeals lined up and you've got \$2,600,000 to allocate, I say the result can only mean one of two things: either we cut back on service or we go to the Provincial Treasurer and undertake very substantial special warrants. If that's going to be the route we take, let's put it in the budget so this Legislature has an opportunity to discuss it. But I don't think any reasonable assessment of those appeals to date would render the judgment that \$2,600,000 is adequate.

MR. MUSGREAVE: Mr. Chairman, I would like to make a few comments on some of the things the Member for Little Bow mentioned. I have an advantage over some members of the House, in that for four years I served on the board under the Social Credit government. I would suggest we wouldn't go to the press and castigate the minister of the day, because we too would suffer perhaps from the kind of thing he is suggesting exists today in the community.

Let me quote from an article that would not have appeared in the days of the Social Credit government. You would not have senior administrators of big hospitals in the Calgary area commenting as they did in the *Calgary Report* of April 10. They were commenting on remarks brought out by the Leader of the Opposition. For example, in Holy Cross and Rockyview, Mr. Lamb the administrator said:

... all waiting list patients are for elective surgery, that is non-emergency operations like hernias, tonsillectomies and plastic surgery. Therefore, the bed shortage is not a threat to patient welfare. Serious cases are immediately hospitalized.

We go now to Mr. Scott Rowand, the assistant director of Foothills, who says the same thing: "Beds are tight ... but any patient who needs surgery will get it".

Let's move on to the Calgary General. The same situation exists there. Let's listen to Dr. Peter Seland, president of the Calgary Medical Society, who says he hasn't heard many complaints of the bed shortage.

He notes, however, Calgary hospitals are under more pressure than ever before because of population growth, and the predominance of young families.

Mr. Chairman, if we compare the amount of money we spent in the last three years — I know the members of the opposition feel we're not spending enough — the budget of '75-76 was \$474 million; the budget of '78-79 is \$701 million, an increase of 68 per cent. Now every member sitting opposite me appreciates that the increase in costs cannot go on.

They can make great speeches about harassment of the government, saying we're being unresponsive. But I suggest to you we're just as responsive as members of the official opposition were when they were in power, and far more open. We allow people

to make comments to the press that were unheard of in their day.

DR. BUCK: ... scraping the bottom of the barrel.

MR. MUSGREAVE: No, I'm not.

DR. BUCK: You're really trying, Eric.

MR. MUSGREAVE: But I would like to point out something to the hon. members, particularly the hon. Member for Clover Bar.

Mr. Milton Friedman, 1976 winner of the Nobel Memorial Prize in Economic Science, has said that there is no point looking around for wasteful expenditure in publicly funded institutions. It exists in all of them and can only be tackled by "across the board" cuts, with "every department, every office" required to make "statutory" cuts.

... Mr. Friedman contends that if inflation is to be beaten — and it must be beaten — "Number one, and most importantly, you must cut government spending and a cut that is substantial."

I know that in the province of Ontario they've tried to increase the hospital fees, and because of the political position there the government had to back off ...

DR. BUCK: Medicare.

MR. MUSGREAVE: Medicare fees, correct. They had to back off. I find that regrettable. I'd like to point out to the hon. members that we have a Firestone plant in Calgary that doesn't have a bottomless public purse. They couldn't sell their products. As a result they had to close a plant, and 350 people are out of work. Telecom can't sell their products, and they've cut off 25 people in Calgary and, I understand, several hundred in eastern Canada.

I would like to suggest to the members that perhaps it's time the hospitals took a hard look at their situation. I'm not happy that there's \$2.6 million there for appeals. In the province of Ontario they estimate they need \$28 million to meet their requirements. I'm not happy, because probably the reason there are so many more appeals this year is that suddenly they've realized there's a fund, and they're going to make an appeal to get it. If you said there is no appeal, you would have some good, hard-nosed administrative decisions that would result in better care.

I'd like to ask why we need administrative offices in hospitals. Why can't the administrative offices be in an office building downtown that has much cheaper accommodation? Why do we have to have banks in the main lobbies of some of our big hospitals? To me this is disgraceful. There are other things; for example, the nursing aides have managed to price themselves out of business. There are hospitals now that won't hire them. Why would you hire a nursing aide if you can hire a first-year registered nurse cheaper? As time goes on, more people in our community are going to realize this.

I had a call last week from a lab technician who told me that 15 lab technicians were going to be laid off at the Foothills today, and a young lady who had bought a house is not going to be able to make her mortgage payments. I know that's unfortunate. On the other hand, perhaps they have 15 lab technicians they shouldn't have had on staff in the first place. How do

you stop this?

The member mentioned about people calling him. I've had calls. I had a call last week from a person who wants a hernia operation. I said, why are you calling me? She said, my doctor told me to call you and see if you could get me a bed. I said, have you got a family doctor? Yes, we have a family doctor. How long have you had the family doctor? Two months. I said, how long have you been in the province? Seven months. Is your husband working? Yes. Now how seriously is that surgery required if he's able to work?

These are the things I think we have to take a harder look at and not be . . . [interjections] That's all very well. Why should we be paying \$1,000 a month to people for mopping floors? Mainly because they've got a good, tough union. Can we go on with this kind of expense? I say, no, we can't.

Lastly, Mr. Chairman, I'd like to make two points — first, the appeal to local taxpayers. When we were putting four mills into the hospital budget, the hospital would add up their budget — and I sat on the board for seven years, so I know what we did; you can laugh and chuckle all you want — they add up their costs and say: we'd like to get this program in; it's going to cost us another \$600,000 or \$700,000, but we are still under our four mills, so let's shove it in. So in it goes. We send the bill down to city hall, and they pay it. If you're going to make appeals to local taxpayers, I would suggest you are obviously going to have to integrate your board so that local elected people are going to be on those boards. Otherwise you're just going to take the blank cheques you wanted issued in Edmonton, and you're going to issue them in the local municipalities.

One other area I'd like to mention is preventive health. I agree with the hon. Member for Spirit River-Fairview that perhaps there should be more emphasis on day care programs. But I also think there should be more emphasis on making sure doctors don't leave people in the hospital longer than they should; they should be looking after more chronic care people in their own homes; there should be more outpatient treatment; there should be more single-day operations. But I would like to suggest that the one way we're going to reduce costs in the future is to have a more direct emphasis on prevention in the areas of eating, smoking, drinking, and lack of exercise. These are the fields in which other areas in the world have shown you can substantially reduce hospital care or hospital costs. These are some of the things we should be doing.

MR. ZANDER: Thank you, Mr. Chairman. First of all, I wish to thank the minister for meeting with me last Friday. Some of the fears and questions were still left unanswered, and I think we're probably going to be looking at them in the next month.

I think the minister is probably receiving today some of the unjust criticism that has been coming down the line for many, many years. I think the hon. Member for Spirit River-Fairview, who stands up and defends the hospital commission — I cannot defend them. I certainly cannot. If I look at their track record, Mr. Chairman, I find it deplorable to say the least. I voted to get rid of the commission, and I'm happy that it's gone.

I think the basic mistake was made back in 1969,

'70, '71, when we looked at a population in the province of about 1.5 million. Today, some 10 years later, we look at a population of approximately 2 million, or a 30 per cent increase. This has been creeping up on us for a number of years, and the commission was not cognizant of the fact that it was there. Let's face the main facts.

But, Mr. Chairman, I want to reinforce the statements and the pleas I've made over the past six years. This is the seventh time I'm going to do it, but I'm going to do it properly this time. I think without exception this constituency of Drayton Valley has, at the nearest point, a nursing home which is removed from it some 70 miles. That's the nearest point. The senior citizens and the handicapped in my area have to go to the city of Edmonton, which is removed almost 100 miles. The figures I look at are substantiated by the records I find in the health unit, in the hospitals part, and also by the county. Until last Saturday, 34 constituents of mine were in the Edmonton area. Unfortunately, one constituent passed away last Saturday; this leaves 33.

But, Mr. Chairman, the nearest nursing home in my constituency is Mayerthorpe, which is 60 miles removed from the centre of the constituency. The next nearest one happens to be Leduc, where an extension is now in progress. Mind you, I'm not saying Leduc does not need a nursing home. What I am saying is, they are 20 miles away from Edmonton, and if we're going to centralize it there, let's do it. The next nearest one is 110 miles away, in Wetaskiwin.

So, Mr. Chairman, I find it difficult to look at a project which has been going on so long. I'm taking a look at figures supplied to me by the Hospital Services Commission dating back to 1976 with a population of 12,933 people at that time, the revised figures of last year. These were garnered by the town council and the county and substantiated by some of the other major municipal bodies in the area. We have a hospital which the minister knows is in the Breton area, 26 miles removed from Drayton Valley. It has a population figure somewhere around 7,000. It has one doctor. In Drayton Valley we have a hospital capacity of 47 beds, 8 bassinets. So with 10 doctors, you're actually allocating 4.7 beds per doctor.

Now we take a look at the figures, and these are the 1977 figures, taking into consideration, Mr. Chairman, that the hospital serves Entwistle, Wildwood, and Evansburg in the Whitecourt constituency, and Gainford and Seba Beach in the Stony Plain constituency. Then we take a look at the Breton hospital district, which is adjacent, just across the river from it. There's Berrymoor, Lindale, Camwood, Buck Creek, Buck Lake, and Alder Flats.

Hospital records show that anywhere from 19 to 27 per cent of the people from the Breton area use the Drayton Valley hospital. Let's assume 19 per cent of the people use that hospital, which would give us a figure of 2,300. Mr. Chairman, based on the old figures, this hospital board has to run this hospital — and it is running it efficiently; I have to give them credit for that — for 15,299 people.

If I look at the total hospitals in the province and at the track record of the commission, I cannot for one moment support the hon. Member for Spirit River-Fairview. I say this again, and I said it the last time: they have four hospitals in 41 miles, and two of them

are almost brand new. We are removed, at least on the average, 90 miles.

I know my mother-in-law is in here; she was in Calgary before. In order to see a member of my family, I have to drive the distance from here to Red Deer and back again. I feel that commission has done a poor job in recognizing the needs in my constituency. There isn't an extended health care bed in my constituency. I don't think, with the exception of any other major centre, there is another constituency like it.

I know that my term in this Legislature is not going to be too long from now. But I wanted to re-emphasize what I have said time and time and time again. I know the minister has inherited an awful mess, and after looking at the work he is carrying on, I give him credit. Surely the minister must be working 24 to 25 hours a day.

DR. BUCK: It takes that long to do the job.

MR. ZANDER: But I'm just hoping, and I'll repeat this again. I hope the minister will review every case that appears before him. I don't think he should take any advice, or very little advice, that comes from the back room, because if I look at the track record, it isn't good.

I know it is hard to convince government, and the minister especially. I know he has not said tonight that even in the '78-79 budget there is room for the renovation of that hospital. I don't know; maybe he forgot it. I'm not saying he hasn't.

DR. BUCK: That's for the election, Rusty.

MR. ZANDER: But I would hope — just last Saturday night I was to the hospital on a pretext; I said I wanted to be admitted. They said, there are no beds. The hospital records show that the hospital is occupied in the high 90 per cents. I think it was 96 or 98 per cent. And the turnover is three days per patient. If we recognized the fact of the expansion that is occurring out there right now, and even if we started to build or renovate tomorrow, we would still have no room two years from now.

So I urge the minister as much as I possibly can that surely by now we should be able to come up with some concrete plans, at least so those constituents of mine would not be subjected to going that distance and their loved ones would not be torn from the community and shipped elsewhere. I think we've gone through this process for quite a number of years, and I don't think our constituents have been the poor cousins. I think from the revenue out of the resources there we've built more hospitals than some of the other constituencies.

The expansion there shows that when the census is completed, there will be approximately 18,000 people being served by a 47-bed hospital. No others on the list can even come up to it. I have the total list of the occupancy and the population based on 1977 figures. Even using this 1977 figure, the basic beds per thousand is 3.63. The provincial average, including all beds, is 9.99. I'm really happy that Hinton got a hospital, because they were low. They were 3.59.

I urge the minister that we have to consider the need of the people out there. I cannot overemphasize the need for extended health care beds that exists in

my constituency. I know you are aware of it, Mr. Minister. I know you'll do something about it, but I wanted the record to show that this is the seventh time I've made this plea in the Legislature. I'll soon be leaving, but I hope this will be on record for the new MLA.

Thank you.

MR. HORSMAN: Mr. Chairman, this evening I want to say a few words in praise of the minister and his department. I was to speak on a matter of a considerable amount of fact, and not the vague generalities thrown about this evening, certainly by the hon. Member for Little Bow. He has spoken about some vague feelings he gets somewhere out in Alberta, from people who are not prepared to be identified because of some vague fear of retribution. I suggest to the members of the Assembly, that's pure bunkum. No matter how you cut or slice it, that's baloney. This is an open government. [interjections]

I want to talk about some facts, about how hospitals can and should operate in this province. I wish to add a view from southeastern Alberta, where the major district hospital for that area is presently planning a major addition. The hospital there has been in existence for some 20 years. It was well built by the previous administration, and for that they are due some congratulations. The only major renovations that have taken place with that major hospital occurred after 1971, when the then Minister of Hospitals, the hon. Mr. Crawford, and the Premier fulfilled a long outstanding commitment by our party to air-condition hospitals in southern Alberta. For that I was exceedingly grateful. The hospital itself, together with the Red Deer, Lethbridge, and Grande Prairie district hospital facilities, was mentioned in the 1977 Speech from the Throne. It was pointed out a year and some months ago that these district hospitals would proceed with major additions.

So those planning procedures have been taking place since that time, and I want to outline briefly what they have been. We're not talking about tearing down a hospital that has been in existence some 20 years, but rather about adding an industrial services building and an increased clinical services building to include such things as laboratory facilities, where a laboratory technician training school is presently being operated under difficult circumstances, adding operating rooms, technical support services, radiology and emergency services, and 40 extended care auxiliary beds. Those are the first two phases that will take place, followed by a renovation of the existing hospital, not to add acute or active treatment beds but rather to take up those spaces now occupied by those other services.

My role as a Member of the Legislative Assembly has been what I believe to be correct and proper. I have worked with the hospital board, the planners, the planning committee, the administration, and the medical staff at the local level. In addition, I've met with them so many times that I almost understand the jargon being used by hospital planners. If I may speak to the minister, and through the minister to his department, I urge on his department a little clearer use of English once in a while, for those of us who are not as intimately concerned with the terminology as some others are.

DR. BUCK: Along with the rest of us.

MR. HORSMAN: I've long advocated that, hon. Member for Clover Bar. I'm sure you'll recall I've said that on many other occasions.

I also met with the minister and the commission staff at the time of the announcement of the holding pattern. The board and administration of the Medicine Hat district hospital had easy access to the minister's office. Shortly after the legislative session adjourned last spring, the minister visited the hospital, toured it thoroughly, and met with the board and medical staff on that occasion. Fortunately the planning was able to continue.

It's true that some delay has occurred, but I believe it has been minimal. I can report to this Assembly that the Medicine Hat board and the planners have made it clear to me that they support the direction now being followed in the planning process through the Department of Hospitals and Medical Care.

That's the locally elected board, and I may digress at this point to say that in our case, in Medicine Hat and district, the board is elected as part of the civic election procedure that takes place every three years. I find that to be exceedingly useful. While I did not take part in the debate on this subject in the Assembly the other day, I can say it has been proven a useful and workable way of dealing with hospital boards.

During this period I've had the opportunity, as have other members of the Assembly, of observing the transition from the commission form to departmental status in a very short period of time. It was only last fall that we passed the enabling legislation.

I note this evening that the hon. Member for Spirit River-Fairview, as is the wont of the socialist who follows — they press a button, and he reacts in the normal way — still favors the commission form of government. I'm not surprised at that.

But I am impressed by two things: first, the complexity of the problems facing the department in developing comprehensive health care plans for Albertans; and secondly, the success to date in dealing with those problems through the services of the minister, who is exceedingly hardworking and has made himself available to boards and hospitals throughout this province in such a manner that I think there is no other example like it.

AN HON. MEMBER: Hear, hear.

MR. HORSMAN: I can assure the minister that I am impressed by the departmental staff he is putting together. I met with the new deputy minister and planning staff the other day. Signing individual planners to individual projects is an exceptionally appropriate way of dealing with this situation.

I must advise the Assembly where we are now in the planning of our hospital in Medicine Hat. I say we are on the threshold of the next major advance. After our meeting last Friday morning with the minister, the deputy, and the chief planner, I'm confident the minister is prepared to recommend the next step in the planning process with a view to commencement of construction even as early as this fall. But this project is expected to take three, four or perhaps even five years, and the cost is tens of millions of dollars.

It is obvious to me that such a massive project,

involving as it does the expenditure of large amounts of public funds, must be carried out with the utmost care for the following matters: first, to ensure proper and functional equipment and buildings for future requirements of health needs is absolutely essential; secondly, that we have honest and proper expenditure of public funds and proper cost control, because without that we will be burdening future generations of Alberta and future assemblies with insurmountable costs. We must have realistic future operating costs and know with a fair degree of certainty what effects new major capital projects will have on future operating budgets. Having regard to those concerns, it is equally obvious there will be ongoing consultation.

With respect to the Medicine Hat district hospital, no doubt many revisions and changes in plans will take place over the next period, while it is under construction. Perhaps there will be some difficult delays, and there will be disappointments. But that's part of life in every respect, and I'm sure hospital planning is no different. However, I'm sure that in the end, with the new procedures in effect — and they are new, and any new procedures will have some strains which we must expect — we will have a reasonable, functional, and cost-effective facility to serve the regional health needs of southeastern Alberta for generations to come.

As well, I want to take this opportunity to praise and thank the members of the district hospital board and administration, the planners, medical staff, and everyone associated with the hospital for their maturity and responsibility throughout and to date. In the development of their plans, they have chosen, wisely in my opinion, to work closely through me and my colleague from Cypress, who's also affected by this proposal, with the commission, and later with the department. It would have been quite easy to have put up a public outcry at every minor disappointment or change in the plan. It would have been easy to run to the news media, to members of the opposition, or wherever, and complain, but they have chosen not to do so. They have chosen to avoid that route, and that is a credit to their ability, maturity, and responsibility.

I want to add my congratulations as well to all responsible in the Medicine Hat district hospital for the cost-effective measures with regard to their operating budget over the past several years. The record shows, without question, that the Medicine Hat district hospital has maintained an effective medical service for southeastern Alberta, with the active treatment hospital beds per thousand at the national recommended average. Secondly, the cost per patient day is significantly lower than in similar institutions throughout Alberta. Thirdly, the cost per patient stay is reasonable and rational. The board, the medical staff, the administration, and all employees have exercised fiscal responsibility without sacrificing the quality of care and medical services to the people of southeastern Alberta in any significant way.

Mr. Speaker, I want to conclude by once again thanking the minister, his department, and staff for their co-operation with me; and the Member for Cypress, the Medicine Hat district hospital board, and the medical staff for ensuring that we will soon proceed with the next important step in the planning process. This will be the appointment of architects and proceeding from there to working drawings on

the industrial services building, with the hope that this may be under construction this coming fall, and that the proposed timetable of the planning committee will be met.

Mr. Chairman, I've outlined some of the facts. I'm sure I'd be interested in hearing later on in committee from the hon. Member for Bow Valley the facts about dealing with the Department of Hospitals and Medical Care. Let's talk about facts, not vague generalities and vague accusations such as we've heard in the course of the debate this evening from the hon. Member for Little Bow. Let's deal with facts, not accusations unfounded and unsubstantiated in any way by any of the speakers from the official opposition in this Assembly this evening.

MR. TAYLOR: Mr. Chairman, my remarks are not going to be long, but I would like to say a few things. One thing I don't like to see is a tendency to play politics with sick people. I don't mind people playing politics with roads, highways, and bridges. I think that's something you can play politics with. But I don't like to see any party play politics with sick people who want to get well. I believe every political party has enough human kindness in their hearts to want to look after people who are ill. I think a sense of responsibility every Canadian has is that you care for those who are ill. Personally, I put that at the top of the list, ahead of education, highways, and bridges, ahead of everything.

You can say, if a child isn't educated, he suffers the rest of his life. That is so. But if a sick person is not looked after, he might not even live, or he goes through a tremendous amount of pain. So I think we can make far greater progress in this vote if every one of us recognizes that other people are just as concerned as we are over looking after our sick people.

Looking over the budget, I made up my mind that if I had to prepare a budget I think the number one priority would be given to hospitals and medical care. Many of my constituents talk to me about various items in the budget. Some are very much opposed to giving grants to opera, to the arts. Others want more money for the arts, more for opera. Some want more for education. But if I had to prepare a budget, I would certainly want to put number one, hospitals and medical care.

When I look over the amounts of expenditure in this particular budget, I notice that is what the government has done. Hospitals and Medical Care has an expenditure of \$701 million. The next highest is Education with \$603 million, about \$100 million difference. Advanced Education has \$402 million for the education of our senior people. The Department of Transportation has \$330 million. As important as roads and bridges are, they are less than half of Hospitals and Medical Care. I think that is proper. It demonstrates what I think every member of this House wants, irrespective of what party he belongs to: to make sure our sick people have an opportunity to get well.

One of the things that worries me somewhat is that we endeavor to prove by statistics that we have enough hospital space. It always goes against the grain, as far as I'm concerned, when we say we have 7.5 beds per person in Canada, or 5.7 active beds per person. I wouldn't have the heart to say to one of my constituents who is ill and couldn't get into hospital,

don't worry about it; we have more hospital beds in Alberta than we have anywhere else in Canada. He couldn't care less. If there are reasons he shouldn't go into the hospital, I think those reasons should be given.

This is one of the things that bothers me with much of the debate tonight. I don't know what these deficits are. I don't know whether they're due to increased wages, increased fees for medical personnel, high-cost equipment, or actual supplementary care in our hospitals. So I'm unable to come to a conclusion as to whether or not hospital boards are operating efficiently.

I have a great deal of faith in people elected to our hospital boards. For many years I've said they're in an awkward position. They're elected to do a job and have to depend on somebody else to supply the money. The minister, department, or government supplies the money, and somebody else administers it.

I remember saying in cabinet several years ago that I thought we were making a mistake when we started on this program of taking over all the debenture debt of hospitals, running the hospitals, and supplying all the money. I remember a series of pre-session meetings I had when I was in government on the other side of the House. A number of people at those meetings said: we think you're making a mistake; you're putting the responsibility to run the hospitals, and there's no responsibility to raise the money. I now wish I had argued harder about that. I did bring those thoughts to the Minister of Health, but maybe I didn't argue enough. I think that's where much of our difficulty is coming from today.

Another thing bothers me about the lack of beds. I had a phone call last week from a constituent who said he had been promised a bed the next day and then it was cancelled. It was a very serious operation as far as I was concerned, but I don't try to diagnose illnesses or sicknesses. As an MLA, I don't think I'm qualified to do that; I go to medical people. I couldn't understand why an operation like this would be delayed or postponed until July. He was very disturbed. He said he had gone through three or four weeks mentally preparing himself for this serious operation, and now it was suddenly postponed. We were able to get him into the hospital.

I explained to him that there's no use going to the minister. The minister can't put you in a hospital. Your doctor puts you in a hospital. If your doctor tells you he can't put you in, he must have some reason. Anyhow, the doctor changed his mind and decided he would put this man in the hospital and carry on the operation.

I saw this chap in Drumheller on Saturday. He said, the thing that amazed me was that when I got into that hospital in Calgary, there were seven or eight empty beds. He wondered why all this rigmarole about postponing his operation, a serious operation. He has had his operation, was very happy about the hospital, and is now recovering. I could hardly believe he was up and around so soon.

But how many empty beds do we have in our hospitals? Is there a myth going around that we don't have enough beds when we actually have empty beds in our hospitals? I wonder if the minister can tell us how many empty beds we have on any given day in our hospitals in Calgary and Edmonton, and in the

rural hospitals. I don't find the complaints in the rural hospitals about not having sufficient beds.

I only have one hospital in my whole constituency. I think some of the other members who were talking are pretty lucky. The whole county of Wheatland doesn't even have a hospital. There's a hospital on the border, in Bassano, but it's certainly not in the county of Wheatland. We were promised a hospital by the previous government, not by the present one. I'd certainly like to see a hospital in Strathmore, but so far we've been unsuccessful.

In Drumheller I haven't had anyone come to me saying, they won't put me in hospital. Perhaps it's because there is a liaison between the medical men in the city of Drumheller and their patients. Perhaps when they can't put a man or woman in, they explain to them why there's going to be a slight delay. I've never had a complaint, but I do get a lot of complaints from the south end of the constituency in regard to Calgary. When I say "a lot", I don't mean 100 or anything like that, but maybe two or three a month.

Generally speaking, the doctor has some reason he doesn't want to put the patient in the hospital. Most doctors are frank with their patients, but some aren't. When the doctor has a reason for not admitting a patient, I wish he would tell the patient, instead of saying there aren't enough beds, and then they find there are empty beds.

I would like to know how many empty beds we have. And if we have empty beds in our hospitals, I'm wondering why some people are being told they can't get in until June, July, or August. I feel very badly about people when they are sick, even if it is an elective operation. It's an operation, and none of us likes to have a doctor cut at us. I've never had the experience, and I don't want it. But if I was going to have it, I'd be a little worried too. None of us likes that, even if it's not a serious operation. When you have to put it off for several weeks, it becomes worse and worse. This is what worries our people.

If we have empty beds and we're holding them for some reason, let's tell the people why. If we haven't got empty beds, let's make some arrangements to make sure we do have a few empty beds, even if we have to go beyond the national average. That's not a thing we have to worry about.

But I know I don't want Alberta ever to get into the position of some of the states in the U.S.A., where it costs \$250 to spend a night in the hospital. I've had people come back from some parts of the United States. They had a serious operation, were in hospital for a few days, and came back thousands of dollars in debt: just a terrific catastrophe in their lives. I hope we never get to that.

I think we have to keep our hospital costs within reason. But by the same token I think we should be in a position to make sure that if a person needs hospitalization, they get it. I think every doctor should know that he can put a patient in, and I think they do know. I don't have too much difficulty when I talk to doctors. Our doctors seem to be aware of the situation. They're putting anyone who's seriously ill in a hospital.

I had a lady phone me from Gleichen about two months ago. She was very worried about her husband, who was supposed to have a serious operation. She said the doctor told him, it's a shame; you should be in the hospital, but we can't put you in till next

month. That was a whole month away. I said to the lady over the telephone, that sounds very odd to me. If the doctor wants to put him in and if he's a serious case, the doctor can put him in tomorrow. She said, oh no, the minister won't let him. I said, the minister has nothing to do with it; the minister can't stop a doctor from putting a patient in the hospital. I said I'll phone the doctor. She said, oh no, don't do that, because he's going to operate on my husband; I wouldn't like to get him angry. I said, I'll tell you what you should do; you go and don't tell the doctor who you were talking to, but tell him you heard he has the authority to put your husband in the hospital if it's serious enough. She said, I think I could do that. So she did that, and the next day the man went in the hospital. She wrote me a lovely letter, as if I had done something. I hadn't done a thing. The doctor put him in. The doctor must have had some reason and changed his mind.

How many empty beds do we have, and what are the reasons for the deficits? Are they things we can control, or are they beyond the control of our hospital board? I think these are the things the people of Alberta would like to have answers to.

I feel compelled to deal with just one other item. This involves a return that the minister supplied today dealing with abortions, even though I just put the question on the Order Paper a few days ago. When I look at this information sheet, I am absolutely appalled, first of all with regard to hospital beds. Between April 1, 1977, and March 31, 1978, there were 5,397 abortions in our hospitals in this province. Does anybody know how long you take to have an abortion, two or three days? The doctors know; I imagine it must be two or three days. I see Dr. Ken nodding his head, so let's say two days. Well, there's 1,000 beds taken up for two days with abortions.

I'm not for one minute suggesting going back to the old method of abortions being done in the back alley. None of us wants that day to return. But when I look at the figures here, it seems to me a vital change is required someplace. I think the Criminal Code of Canada says the health of the mother is the reason for an abortion. Health can be social, mental, physical, or psychological. There is no definition of "health" in the Criminal Code. If it said the life of the mother, I could understand it. In my reasoning, if the life of the mother is involved, an abortion certainly is justified because you are saving a life.

But I might as well be honest: I don't believe in abortion on demand. I just don't believe it is right to take a life, even though that life is in the formative stages. That's part of my upbringing, I suppose. But I abhor the thought of some innocent child having his life ended before he is even born. There were 5,397 last year, up 698 from the year before.

When I look at the ages, again it is really appalling: under 16 years of age, 257 in the last fiscal year, and 256 were single girls; over 16 and under 18, 763, and 751 were single; over 18 and under 25, 3,033, and 2,415 were single; over 25 and under 35, 1,374, and 399 were single, 608 were married; and over 35 years of age, 336, and only 23 were single, 229 were married. When you go to further statistics you find that of these 5,397 abortions, 418 had at least one before — this was their second abortion — 24 had abortions three times, and seven had abortions three or more times.

It amounts to — I shouldn't say definitively, but it seems to me as a layman that a lot of people are having abortions as a birth control device. I don't think that is right at all. I think there should be some changes in legislation.

I would also like the hon. minister to advise if he has had any talks with Ottawa about this particular thing and, more importantly, any talks with the committees in our hospitals to see if they actually sit down with these girls and explain the whole thing to them. It seems to me that this is worth while. A human life is at stake, and maybe the whole future of that girl too, particularly with these very young girls. I don't think we should be permitting abortion to be a birth control device. I think we need to do a tremendous amount of work because, in my view at least, many of these are simply killing a human being before they've even had a chance to see the light of day.

DR. BACKUS: Mr. Chairman, I certainly agree that health care is a very important part of our lives. But emotionally, and for public concern, few things can evoke such a response as problems in medical care. Therefore it becomes very easy to go out and find people who will complain and criticize various aspects of our health care. When the hon. member had the board's concerns expressed to him, that if they complained to a member of the opposition it would in some way affect their budget, being the statesman he is, I'm sure he immediately corrected the man and told him he need have no fear of that. He certainly wouldn't try to encourage such an idea just for political gain.

DR. BUCK: This government would never do that.

DR. BACKUS: I'm not going to say the opposition is irresponsible, because I don't think that would be fair. But it certainly must be nice to be able to stand up and talk about spending all the heritage fund and a larger and larger chunk of our operating capital on health care when you don't have any responsibility for showing responsible control over the expenditures for health care.

I've been a doctor for 30 years, and I can tell you that there was no year — 30 years, 20 years, 10 years ago — when there weren't waiting lists in hospitals. Sometimes they ran about three months, sometimes shorter. One could always get a patient in, and can still get a patient in today, when it is absolutely necessary that they be brought in for immediate treatment.

It's interesting that during the war in Britain the waiting list for the simple tonsillectomy was slightly over two years. In fact, it changed the attitude of the medical profession a little bit. When they finally got around to calling these children in to hospital to have their tonsils taken out, most of them had outgrown their childish tendency to have recurrent sore throats, and it became unnecessary to do the operation. Therefore, the medical profession has taken a very serious second look at the wholesale slaughter of the poor tonsils and adenoids that used to be carried on many years ago. We do this operation much less commonly now, so that I don't necessarily think a waiting period for some of these conditions, these elective surgical things, is really a serious handicap.

It may even make the doctors think a little more as to whether it's really necessary, and they might sometimes change their minds.

But I stress again that never to my knowledge have we refused admission to a patient who required urgent hospital care. This goes for 30 years ago as well as today.

Also, with regard to the closing of beds in hospitals, this seems to be a terrible thing to do. However, I remember in the past it used to be a regular thing every summer to shut down a ward for redecorating. It used to be quite normal to close down parts of the hospital during the summer to carry out renovations or anything like that.

At that time no finger was pointed at the government to say they were responsible and were not giving an adequate budget. However, I think that by the fact that this government took over last dollar budgeting it has provided a very good thing to point the finger at the government and say: see, they don't give us enough money; we want more money; otherwise we're going to have to do some terrible things like closing down a few beds, or it's going to affect the service in the hospital. I'm very concerned when I hear about Foothills Hospital having to lay off some people who actually helped look after the patients. But I would really believe their budget was being too curtailed if they told me they were laying off 15 members of their administrative staff.

I realize it's very nice to have ward secretaries. It probably can be rationalized and argued that if you have a ward secretary to take down notes and save the nurse's time, the nurse can devote more time to looking after the patients. I know lots of hospitals have ward secretaries on every ward. I haven't noticed any really significant improvement in the care of the patients by virtue of the ward secretaries being there.

I've also noticed that in some hospitals over the last few years there has been a very great increase in the administrative staff. I think this can be rationalized and justified. But I wonder if in fact we are getting better health care, more quality health care, by virtue of increased staff.

I was also very interested to hear the comments on the absence of guidelines. I think one might say we already have guidelines. They may not be written out in a book and developed in a pamphlet that every hospital can study. Probably one of these days soon something like this will come out.

I think our board in Grande Prairie has been very happy with the guidelines and the advice, recommendations, and planning guidance that have been given since hospital care has been brought under the department. It's certainly something they never experienced before, and I think they recognize it's a very real need for any hospital board to have this guidance and advice directly from the people in the department. In spite of the hospital board members our hon. opposition have met who seem to be so lacking in a feeling of comfort or security with the minister, I have found that hospital boards I've been in touch with are very pleased with the relationship they have with the minister. They've found that in fact they can get responses to their concerns much more quickly in this way than they did before.

As I started off saying, and maybe it bears repeating, we all can find people who complain about health

care delivery in their community. For years I've heard it, not just as an MLA but as a doctor. I've been rung up frequently, and the complaint was that they couldn't get to see the doctor in his office. They have to wait for a month to get an appointment.

A second complaint is, when they go to the hospital outpatient service, they have to wait two hours before they are seen, or they have to sit around waiting for two or three hours for some minor procedure. Even before this government came into its position of responsibility I had complaints that patients were unable to get into hospital.

It is certainly true that these problems could be very easily resolved. You just spend all the heritage fund and build enough hospitals so there'll be beds lying empty, and you up the taxes so the operating costs of these hospitals can be built up so beds will always be available for anybody when they want them. Also, you could probably increase the number of doctors in the province, have them flooding in just by paying them a little more than they can get anywhere else in the world. We'd attract doctors from the States instead of the other way around. Then patients wouldn't have so long to wait to get an appointment with the doctor or into hospital.

But I think this sort of attitude would be very irresponsible. I think all we would achieve would be that the demand would increase to the point I have seen in the past when there have been a few empty beds in hospitals. Patients have been brought in simply for convenience, because it's easier to be in hospital for physiotherapy than to come in each day. Or they come into hospital and occupy an acute hospital bed just so they can have some X-ray procedure carried out which actually could be done just as well with them as outpatients. I've seen this take place. I'm sure if we in fact had a lot more beds and no waiting lists, this state of affairs would recur.

But is this the sort of hospital care we want for the province? Or more important, is this the sort of hospital care we're prepared to pay for in this province? There's no question that to provide that type of care would create a tremendous increase in our taxation.

I was also very interested in the hon. Member for Spirit River-Fairview expressing his concern about municipal taxation having to bear some part of the hospital expenses. In Sweden, where perhaps social care of people is carried to one of the greatest extents in any country, municipal taxation totally pays for the hospitals. It is even carried to the point that when a patient is referred from a regional hospital to one of the central, more specialized hospitals, the region is then assessed for the care of that patient. It comes out of property taxation.

I don't think there's really any serious danger in our trying to meet some of these extra, special expenses that some hospitals feel they can justify by resorting again to municipal or property taxation to cover the particular luxuries a hospital, or more commonly, the

people in that area feel they want from that hospital. It's a matter of the pressure of demand that creates the expenses in most of these hospitals.

Therefore I hope this committee will take a really serious look at these estimates, not from the point of view of how much more can we spend, but what can we be responsible for in the future? Maybe when some of the children who are about 10 years old now grow up and become Members of the Legislative Assembly and wonder where all the money is, because it isn't coming out of the ground any more; when we tell them we really invested it in your future by putting it in hospitals, so you don't have any now, I think they might say, I wish I had had a little say in how it was going to be spent.

I think this is the purpose of the heritage trust fund. It's not just a big bag of money everybody can go and spend today and tag onto at the least excuse of saying, it's for the heritage, for the future of Albertans.

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

MR. TAYLOR: Mr. Chairman, I was hoping I could get this in before you put the question. I would like to make a correction to what I've said. I said "1,000" bed days. It should have been 10,794 bed days in connection with that abortion talk.

[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration a certain resolution, reports progress on the same, 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. HYNDMAN: Mr. Speaker, by way of an outline of business tomorrow afternoon, the designated government hour is for Government Bills and Orders, and we would proceed to government bills in second reading and committee, all of those on the Order Paper today on pages 2 and 3, except the following six: 20, 38, 40, 41, 10, and 16. I understand that on that basis the members of the opposition are agreeable, following designated government motions, to proceeding with government business, being those bills and orders, rather than reverting to the normal Tuesday Order Paper.

[At 10:25 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

