

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, October 24, 1978 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 261
The Crown Corporation
Reporting Act

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill No. 261, The Crown Corporation Reporting Act. Very briefly, the principle of Bill 261 would be to establish a select standing committee of the Legislature to oversee the affairs of Crown corporations or quasi-public companies with substantial public investment such as PWA or the Alberta Energy Company.

[Leave granted; Bill 261 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. FOSTER: Mr. Speaker, I take pleasure in tabling the annual report of The Legal Aid Society of Alberta for 1978, and the annual report of The Crimes Compensation Board for the year ended December 31, 1977.

MR. CHAMBERS: Mr. Speaker, I would like to table the responses to motions for returns 136 and 143.

MR. MINIELY: Mr. Speaker, I'd like to table the first progress report of the Alberta Health Sciences Centre for the year ended March 31, 1978. This is a voluntary, as opposed to a statutory, tabling.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. PLANCHE: Mr. Speaker, it's a pleasure for me today to introduce to you, and through you to the members of the Legislature, 40 students from the Henry Wise Wood school in Calgary, accompanied by their teacher Mr. John Dyck. They are seated in the members gallery, and I'd ask that they please stand and receive the welcome of the House.

MR. SCHMID: Mr. Speaker, may I introduce to you, and through you to the hon. members of this Assembly, students from various high schools in Edmonton. The significance of these students is that 23 of them are from the Federal Republic of Germany, living with the families of Edmonton students and attending high school here for three months. Next year the Edmonton students will travel to Germany and attend school there for three months as well. This program was

negotiated between the council of ministers of culture in Germany and the Edmonton Public School Board. Mr. Speaker, I can think of no finer way than this to promote not only international friendship and understanding but a most enlightened learning process.

Mr. Speaker, the students are accompanied by Vice-Consul Rademacher; Mr. Vinge, a member of the executive of the Cultural Heritage Council and the man mainly responsible for this exciting program; Mr. Wilson, the co-ordinator; and Mr. Colin Fraser, who arranged today's visit to this Assembly. May I express my congratulations to them, and *Ich moechte besonders die Studenten aus Deutschland hier in unserem Landtag, in unserer Provinz willkommen heissen, Ihnen allen einen sehr erlebnisreichen Aufenthalt wuenschen und hoffen dass die Freundschaften die Sie hier bilden noch lange als eine der schoensten Erinnerungen gelten werden.*

Mr. Speaker, I would ask that the students rise in the public gallery and be recognized by the Assembly.

head: **ORAL QUESTION PERIOD**

Laycraft Inquiry

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Attorney General — really a number of questions pertaining to the findings of Mr. Justice Laycraft. The area I'd like to pursue initially deals with the trial of the RCMP corporal who testified and is now subject to some investigation by the RCMP. One of the major conclusions of Mr. Justice Laycraft was that in fact there had been a breakdown in communications between the RCMP and the Attorney General.

My question is: what initiative has the Attorney General pursued to date in order to resolve this situation which Mr. Justice Laycraft outlined?

MR. FOSTER: Mr. Speaker, about a year ago my deputy and I spent some time with the commissioner of the RCMP discussing a number of matters. One of them was what was likely to happen to Bill Radey. I urged upon Commissioner Simmons the fact that Bill Radey had acted in good faith, that he had an honest belief that the Edmonton City Police had been the target of some improper, if not indeed illegal, conduct by members of the RCMP in Manitoba. He acted on the honest belief that were he to report that to his senior command in Manitoba, it would not surface. So he chose to contact me.

I understand that might indeed be a technical breach of RCMP legislation. He told me at the time that it might be, and that he would not be communicating with his senior command. He would be communicating with me. I undertook to protect his identity as my source until the decision was made by Mr. Justice Laycraft that it would be public.

So, Mr. Speaker, I had discussed the matter with the commissioner before the RCMP made any decision whatsoever to deal with Radey. It came as a great surprise to me — which is an understatement — that the high command of the RCMP in Canada has chosen to charge Corporal Radey before a service tribunal. My reaction to that, of course, is now a matter of public record. I find it quite inappropriate.

I understand the matter has been raised in Parliament and that the Solicitor General for Canada has undertaken to look into it. I expect to be in Ottawa next week as part of the first ministers' conference on the constitution, and I expect I will be in touch with Mr. Blais at that time. I am obviously going to be meeting with the commissioner to discuss certain aspects of the Laycraft report, but I do not propose at this point dealing with Commissioner Simmons on Radey. I feel at this point that my representations have been made to the commissioner and should now be made to the Solicitor General for Canada.

MR. CLARK: Mr. Speaker, to the Attorney General. Since the Laycraft Inquiry findings were made public, what initiative has the Alberta Attorney General taken either with the federal minister or with the commissioner of the RCMP dealing with the broader issue of communications and access of information by Alberta?

MR. FOSTER: Mr. Speaker, some time ago I put out a news release indicating my response to the Laycraft report and some of the issues that have been commented upon by the media. In it I said — and I'm happy to say it again — that at this point in time I'm very pleased with the level of communication and co-operation being provided to my office by the RCMP in this jurisdiction, and that indeed that co-operation has been at a high level for some time. For example, it wasn't known that — well, I'm not sure when in '76, but for at least the last couple of years I have been meeting regularly with the senior command of the RCMP in this province for approximately monthly briefings.

So the breakdown in communication that Laycraft has identified did indeed occur. But the time frame it occurred in was post '75 and leading up to the calling of the inquiry. Subsequent to the calling of the inquiry, however, the communication has been very good, and I'm happy to say it's very good today.

Mr. Speaker, I've already indicated that I've got to talk to the commissioner of the RCMP about some aspects of Laycraft, and we'll be doing that. I have endeavored to arrange a meeting of the western attorneys general this fall, but I'm finding that everybody simply can't co-ordinate their schedules. I expect most of my colleagues will be in Ottawa next week, so we'll take the opportunity of discussing it then. Obviously I'll be talking to Mr. Blais. I also need to talk to the Attorney General for Canada, and I want to have some discussions with the Minister of National Revenue. So some follow-up has yet to be done.

As a matter of interest, Mr. Speaker, a week ago my senior officials and I met with the senior police officers in this province for a day at Government House to discuss a number of matters arising out of Laycraft, principally the technical aspects of wiretaps, which have caused the police some difficulty in terms of procedure and the law. We're working very closely with them on that. I'm happy to say that all the police forces and my senior people have come to some common ground, I think, and hopefully we will not see the kinds of problems with respect to wiretaps that were evidenced during the Laycraft Inquiry.

MR. CLARK: Mr. Speaker, a further supplementary question to the Attorney General. Following the release of the Laycraft report, the Attorney General indicated that when the next Alberta RCMP contract was negotiated he would attempt to have included in that agreement a provision for direct access by the Attorney General to the chief commissioner's office in Ottawa and therefore to RCMP information. Has the Attorney General taken any direct steps to do that? Is the Attorney General still of the same mind, in light of what he said about the two years of co-operation?

MR. FOSTER: Mr. Speaker, I took steps on that point before the Laycraft report came out. As a matter of fact, that specific recommendation was a subject of some discussion among the provincial attorneys general, and it was generally agreed that that would be a good idea. Francis Fox was still the Solicitor General for Canada in those days, and we were in touch with him. He had no particular disagreement in principle, but he had just closed the book, so to speak, on these contracts and didn't want to open them up again for a whole round of new negotiations. But he did give me some feeling that when next these contracts were rewritten it would likely be appropriate to include that provision.

I'm aware that deputy solicitors general and deputy attorneys general are going to be meeting with the commissioner of the RCMP next month, at which time some of these aspects will be considered. I'm confident that the matter of the commissioner's reporting or being responsible to the provincial government will be included in the package of materials discussed.

Mr. Speaker, one further comment. It's clear from Laycraft that when an attorney general has certain difficulty with the commanding officer of the RCMP in a contract province, he has no alternative but to go to the commissioner, which is what we did. It should be clear as well that it is the commissioner of the RCMP who is accountable to each of the provincial governments, because after all he is the final authority within the RCMP in Canada. I don't think the federal government has any difficulty with that; I'm very confident that the provincial governments don't. I'm sure that in time it will be a part of the provisions of RCMP policing contracts.

MR. CLARK: Mr. Speaker, a further supplementary dealing with the Laycraft report. What representation has the Alberta Attorney General made to the federal government with regard to safeguarding the confidentiality of income tax documents? That relates to that portion of the Laycraft Inquiry — the agreement between the RCMP and the Department of National Revenue.

MR. FOSTER: Mr. Speaker, I presented copies of the Laycraft report to several people before it was publicly released. Those people would of course include the commissioner of the RCMP, and certain federal cabinet ministers including National Revenue. I take it that the federal government will have been reviewing the Laycraft report on that point, and will take steps to ensure that tax records remain confidential, as we thought they were, except for purposes authorized in the Income Tax Act.

MR. CLARK: Mr. Speaker, following the release of the Laycraft report, the Attorney General indicated that there was "some stuff the commission chose not to use". Is the Attorney General now in a position to outline the nature of that evidence?

MR. FOSTER: Mr. Speaker, one of the problems with press conferences is that some people take down what you say and some people don't. It gets reported in part. Editorial writers pick it up, take a statement from over here, attach it to something over there, and write a story about it.

The *Edmonton Journal*, as I recall — and I'm sure they're listening — took that statement about there being some stuff that Laycraft chose not to use, tied it to Winnipeg, and suggested there was something more about the Winnipeg incident that Foster knew and was unhappy about. That's not what I said.

In my statement to the news media at Red Deer at the time I released the report, I was explaining to the people who were present — and I will do it again for their benefit, but obviously primarily for the benefit of the House, Mr. Speaker — that the conduct of a royal commission, particularly an investigative royal commission, is in the hands of the commissioner and indeed commission counsel. We simply provide to the commissioner everything we have. He then has the capacity to go beyond that and search wherever he will.

I was explaining that the material Laycraft chose to use was his decision, not ours. I said, for example, there was some material before Laycraft that they chose not to go into. I gave a specific example, and that's what I was talking about. I wasn't talking about Winnipeg, for the benefit of the *Edmonton Journal*. I'm glad to have the opportunity to clarify that. The example I used was that there was evidence before the Laycraft commission concerning the connection between Royal American Shows, the carnival industry generally, and organized crime in North America.

Mr. Justice Laycraft chose not to pursue that avenue. Perhaps he was right; I'm not suggesting he should have. I'm simply saying there is an area — a whole new area — which Laycraft chose not to go into and which wasn't dealt with by the commission. Very simply, Mr. Speaker, that was what I said. But for some reason more was read into my remarks than was intended, I'm afraid.

MR. CLARK: Mr. Speaker, to the Attorney General. Is it still the feeling of the Alberta Attorney General that sometime during the course of this whole investigation, he either was followed or had his telephone conversations monitored?

MR. FOSTER: Mr. Speaker, this is obviously my day for questioning.

I took the stand for three hours before the Laycraft Inquiry and told what I observed around me. On the basis of what I was able to say by way of observation, Mr. Justice Laycraft didn't draw any conclusions about what was or may have been happening. I don't think it's for me to draw conclusions.

I didn't put that story out, by the way. I didn't make that statement, and I'm not accusing anybody of doing anything. I simply said that I saw some rather curious conduct going on around me and was wondering what was going on. But I'm not prepared to

draw the conclusion, Mr. Speaker, that that necessarily resulted in the kinds of conduct the hon. Leader of the Opposition has referred to, or indeed that I was the subject of them.

MR. CLARK: Mr. Speaker, one last question to the Attorney General. What was the cost of the Laycraft Inquiry?

MR. FOSTER: Mr. Speaker, if you want to talk about the dollar cost of the Laycraft Inquiry — which I assume is the question — my memory is that it runs to about \$800,000. Now obviously that's a good deal of money.

I was asked, again by the news media, whether or not the cost indeed justified the inquiry. Perhaps this is another question. My reply to that, Mr. Speaker — and I suppose this is a proper forum to say this — is that if I had risen in this House about the time we put the inquiry into place and explained to this Legislature and indeed to the people of this province much of the material that I had on the subject, I don't think this Assembly or the people of Alberta would have been willing to accept what I had to say. In short, I'm saying that I don't think the government of Alberta really had any alternative but to let all this material come out at an inquiry.

I think it has been very good for the justice system, not only in this province but indeed in Canada, to have had that experience. It's a wrenching, dislocating experience that causes great difficulty to many people. But I think that for \$800,000 the justice system in Canada, police/Crown relationships generally, and government to government relationships in the matter of law enforcement have been strengthened somewhat.

If I had to stand in this House again, Mr. Speaker, I would have absolutely no hesitation in recommending again that the government proceed with that inquiry if the same circumstances presented themselves.

MR. NOTLEY: Mr. Speaker, might I put a question to the hon. Attorney General. If I heard him correctly, he indicated that part of the evidence Mr. Justice Laycraft decided not to include in the report related to carnivals and, I believe the minister said, the underworld. Is it the government's intention to pursue that evidence any further?

MR. FOSTER: Mr. Speaker, my information is that in certain jurisdictions in the United States, the authorities are pursuing the matter with respect to both Royal American Shows and, I believe, other sectors of the carnival industry. I was about to say I am not aware of any criminal investigations under way in Canada right now with respect to the carnival industry, but I'm not sure I can make that statement categorically.

MR. TAYLOR: A supplementary to the hon. minister. Has Royal American Shows been in touch with the minister since the submission of the inquiry report? Second, do you think the commission taught them a few lessons?

MR. FOSTER: Mr. Speaker, to the first part of your question, the answer is no. Several principals of

Royal American remain charged in this jurisdiction, and warrants are outstanding for them. Frankly, I expected they might come back to Canada to give evidence before the Laycraft Inquiry. We were quite prepared to consider immunity for them if that were done, but they chose not to come.

I'm sorry, the second part of your question?

MR. TAYLOR: Mr. Speaker, the second part of my question was: do you think Royal American Shows will benefit from that inquiry?

MR. SPEAKER: Is that really a topic for the question period, a benefit to Royal American Shows?

MR. TAYLOR: In replying to the question, Mr. Speaker, it will certainly be of benefit to the people of Alberta if they mend their ways.

MR. FOSTER: Mr. Speaker, I wouldn't answer the question specifically on the benefit to Royal American. If the question were the benefit to the public, I would say there are a number of beneficiaries in Alberta. I think the general public is alerted to the kinds of conduct carried on by the carnival industry that were clearly an attempt to compromise leaders of our community, not only exhibition authorities and senior officers but police officers and leaders generally — judiciary, government, you name it. There was a concerted effort, I believe, to lay the groundwork for future compromise if the opportunity ever arose.

Every once in a while I think our society needs to be jerked back into the realization that that kind of insidious criminal conduct is going on. To that extent, yes, I think we have been forewarned and forearmed.

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

MR. NOTLEY: Mr. Speaker, to the hon. Attorney General. Has any consideration been given to extradition proceedings with respect to those principals in the company who were involved in clearly illegal activity?

MR. FOSTER: Mr. Speaker, yes, we have looked at extradition. We haven't really settled on what we're going to do. I doubt we will proceed with extradition. For example, I've already said the American authorities are pursuing other investigations, and there may be other charges in the United States.

Court System

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Attorney General. It also deals with recent communications the Attorney General has had with members of the judiciary in the province of Alberta. What measures does he anticipate taking to improve the communications, and therefore the relationships, between himself and the judiciary of the province? I ask the question in light of the comments made by the chief justice of the province following the Attorney General's recent presentation to them just last week.

MR. FOSTER: Mr. Speaker, I think the House should be clear on what I said. I won't read you my speech,

but I have it right here. I was saying to the judiciary that case flow management is the primary responsibility of the judiciary; that, generally speaking, lawyers and indeed judges are by definition probably poor managers; and that the judiciary must assume primary responsibility for case flow management.

Mr. Speaker, if I may, I outlined four things that I thought the Canadian judiciary should do, and I still believe this. I said: you need to honestly recognize the leadership vacuum with respect to management in the courts; you need to develop a commitment to a management philosophy; you need to analyse the operational problems in the courts; finally, I think you need to develop an informed management expertise among the ranks of the judiciary. I think those things need to be done.

There are some judges in this country who are no doubt much better equipped to handle those kinds of challenges than others. But generally speaking, the judiciary is not known for its management expertise. What I'm saying is that in a high case volume court system, which we have in the 1970s and we face in the 1980s, we must be prepared to apply managerial, organizational, and technological expertise to the operation of the courts.

Mr. Speaker, I won't make my speech any more, but I was being deliberately provocative to the judiciary because I wanted them to get a little excited about it, quite frankly, and think about the issue. I think an Attorney General is not doing his job if he goes around patting the judiciary, or indeed the police or other people, on the back when in fact the system needs a good deal more work than is currently occurring.

MR. NOTLEY: [Inaudible] calm them down.

MR. CLARK: Yes, that's a very good point.

Mr. Speaker, a supplementary question to the Attorney General. In light of his provocative remarks of last week, is it the view of this government that to deal with the case loads presently before the courts is a matter of reorganization, or a matter of more members being appointed to the bench to resolve the long delay that's presently before a number of people?

MR. FOSTER: Mr. Speaker, I think both those suggestions by the Leader of the Opposition may indeed have merit. There needs to be better organization, better administration; indeed, as the chief justice says, there needs to be better communication. All of that is true. There may need to be more judges and more courtrooms. But the traditional response of the judiciary to a growing case load has been simply to request more judges and more courtrooms. I am simply saying that I think we have to attack the root of the problem, and that's getting a better handle on case flow management.

Many things can be done. One of the judges at the conference sort of facetiously commented that maybe we should award costs against lawyers. You know, maybe we should. Maybe that isn't such a bad idea after all. So there is some pretty good innovative thinking going on now, because people have been challenged to think about it.

Mr. Speaker, I want to emphasize that I don't want to leave any implication that I am in any way disre-

spectful of the judiciary and its independence. I'm sure everybody in this House appreciates how significant and important that independence is. But I'm saying that the threat to independence does not come from the executive branch of government on a day by day basis. It comes when our court system starts to backlog and fill up, and all of a sudden the executive branch has to apply its administrative apparatus to make the system work better when the current system is not functioning.

So I am seeking to support independence for the judiciary. I am saying to them, I recognize your jurisdiction in case flow management, and Alberta stands ready, as I'm sure all provinces do, to help the judiciary exercise that role in any way we can.

Mr. Speaker, I'm having a great day. I should carry on and read you my whole speech.

MR. CLARK: Mr. Speaker, just one last question now that the Attorney General neatly has one foot on each side of the fence.

SOME HON. MEMBERS: Oh, oh.

MR. CLARK: Mr. Speaker, the concluding question to the Attorney General would be this: dealing with the comments made by the chief justice of the province about his communication with both the Attorney General and the Premier, and implying that it's very much a one-way street, what steps does the now Attorney General plan to take to deal with the specific matter of communication between the chief justice and the Attorney General?

MR. FOSTER: Mr. Speaker, if you're talking about Chief Justice Bill McGillivray of the court of appeal, I'm not sure what he had to say, except that I know he's very well known to the Premier of this province, and I believe he's well known to the Attorney General, although less well known. It's never been my experience that Chief Justice McGillivray was reluctant at all, nor indeed should he be, to communicate with the Premier or me on absolutely any subject under the sun; I welcome that. As far as I'm concerned, the communication between the Premier and the chief justice and between the Attorney General and the chief justice is very good. The problem is, we don't always agree. That's all.

MR. CLARK: Just one further supplementary question.

MR. SPEAKER: I'm becoming somewhat concerned about the time. We had a *tour de force* on the first question by the hon. leader. We have used over half of the question period so far, and there are still five members who would like to ask questions. If I'm correct, the hon. Member for Calgary Buffalo has a supplementary with regard to this particular topic. Could we leave it at that, and if there's time left come back to it today; otherwise tomorrow.

MR. GHITTER: Thank you, Mr. Speaker. I rise first on a point of information, which I would like to follow with a supplementary, if I may. The hon. Attorney General has referred to the lack of administrative ability of lawyers generally in the province. I was wondering if that includes the Minister of Consumer and

Corporate Affairs, the Provincial Treasurer, the Minister of Federal and Intergovernmental Affairs, the Minister of Labour, and no less the Premier. Are they included in his categorization? [interjections]

MR. FOSTER: Mr. Speaker, there are some rare lawyers [laughter] who are outstanding enough to get elected to government who manifest management expertise, but they're rare. Among those in that category are some who were even more clever than most lawyers normally are. Those are the ones, like the Premier, who go off to Harvard to get masters' degrees in business administration.

MR. GHITTER: Mr. Speaker, in the supplementary I might add that some of the judiciary might have different views of the expertise of various members of government. That debate may go on and on.

But if I may, Mr. Speaker. The Attorney General referred to costs against lawyers. I'm wondering if the Attorney General has considered the aspect of costs against the Crown, where facetious charges or charges that are unproven have resulted in an acquittal. With respect to the great costs incurred by the citizens in the community, might not that proposal have greater bearing and more merit than the suggestion the Attorney General has raised?

MR. FOSTER: Mr. Speaker, there are no doubt a number of sacred cows that need to be faced squarely with respect to the court system and the way it operates. One of them is the fact that you don't award costs against the Crown. Quite frankly, we should review that. Costs against the Crown may be a heck of a good idea. It may be that the members of my shop and indeed other areas of government would sharpen up considerably in the proper case; perhaps that should be done. All I'm saying is that there are a number of innovative things which we should be prepared to discuss and try, and not simply refuse to consider them because that's the way we've been doing it for a hundred years. That's all.

Hostage Incidents

DR. BUCK: Mr. Speaker, I'd like to address my question to the hon. Solicitor General. The information I have is that there's been a hostage incident in the Fort Saskatchewan Correctional Institution. Can the hon. Solicitor General indicate to us what is going on there?

MR. FARRAN: Mr. Speaker, there is an unusual incident under way at Fort Saskatchewan Correctional Institution. Some five inmates in the disciplinary tier, which is the tier of A Block in Fort Saskatchewan, have taken a correctional officer hostage. We are now playing it cool. I don't regard it as extremely serious. We've got time, and communications are taking place with pieces of paper passed under the door, because they've sealed all inlets and apertures. I think we have the matter well in hand. I don't think there's any need to be alarmed or to rush; they're not going to conquer Canada. We should keep cool and be patient, and we'll work it out.

DR. BUCK: Mr. Speaker, a supplementary question to the Solicitor General. In light of the fact that this is

the second incident within a relatively short time, can the minister indicate what directions have been given to the people on staff in the institution as to the handling or prevention of such situations?

MR. FARRAN: The instructions are always to keep cool and play it calm. I just hope this one fizzles out in as satisfactory a manner as the last one, which lasted about an hour; when suppertime came around, the inmate wanted his food.

DR. BUCK: A supplementary question to the Solicitor General. Everybody seems to be keeping cool. Can the Solicitor General indicate the procedures used when prisoners are being taken out of the institution, say for medical care? Is the minister considering allowing the correctional officers to carry arms in such situations?

MR. FARRAN: No. As I say, Mr. Speaker, I don't believe there's any need for any alarm, extreme panic or, as we used to say in my area, flap. There's no need to get in a great flap and say that the guards have to be armed for escorting prisoners. We haven't got to that sort of point.

Normally a prisoner is handcuffed and shackled. Certainly it's unfortunate that the one in Calgary managed to smuggle a sharpened butter knife into the vehicle taking him to hospital. But I don't think we've yet got to the point of arms and dogs in provincial correctional institutions, except that we have them in reserve in case a very serious incident should develop. The danger with having side arms on correctional officers, of course, is that the inmates may take them away.

DR. BUCK: Mr. Speaker, can the hon. Solicitor General indicate to the Legislature if the prisoner who escaped and was found at the Alexander Indian Reserve was shackled when he was taken for medical treatment?

MR. FARRAN: His feet were not shackled, but he was handcuffed.

Handicapped Children's Education

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Education. It concerns education for handicapped children. In light of the recent Supreme Court ruling in the case of the Lamont school division, I would like to ask whether the government proposes to make additional funding available to school divisions in the province to accommodate the education of handicapped children and to give reality to the court decision.

MR. KOZIAK: Mr. Speaker, where services are provided by school boards to handicapped students, we now provide funding under the concept of the special education teaching position. There are two categories: the severely handicapped and the mildly handicapped.

With respect to the severely handicapped, as these students are identified and programs provided by school boards, the special education teaching position grant is paid. With respect to the mildly handicapped we provide, again on the basis of identification of

classes of students, special education teaching position grants. These are provided as needed, with some limitations as to the number of special education teaching positions we can recognize in a budget year. There is no limitation with respect to the severely handicapped; some limitation with respect to the mildly handicapped.

The decision the hon. member refers to in his question is under consideration by both the Department of Education and the Alberta School Trustees' Association in terms of what further might be done. We're looking forward to the results of the deliberations of the Alberta School Trustees' Association before moving any further.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Education. With respect to the young student whose parent precipitated the appeal, is the minister aware that at present, because of the financing available to the school division, the student in question has to be taken to the school by her parents, placed in an opportunity class with no desk or typewriter, even though she needs a typewriter in order to write, a lack of qualified instruction, and without a proper fire exit in that school for a person who is physically handicapped?

MR. KOZIAK: Well, Mr. Speaker, the hon. member raises a number of considerations that deal with the provision by school boards of services to handicapped children. One of the questions, of course, is the adaptation of physical space to suit the needs of handicapped children. That is an aspect of the building quality restoration program that's presently under consideration.

The question of programming itself is much more difficult. I suppose it's easier to identify a child with a given handicap; it's somewhat more difficult to be able to provide a program to meet the needs of the individual child. This is the area in which school boards find the greatest difficulty, particularly those that don't have the expertise.

We must appreciate that school boards across this province vary in terms of the student population within those jurisdictions and, as result, the type of expertise available. One school jurisdiction in this province has 15 students, another over 80,000. So we have to approach this concern recognizing that not all school jurisdictions are the same and that some would have greater expertise and facilities available, others less. Of course that is one of the considerations that we as legislators must take before imposing burdens in general upon school districts.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The minister indicated discussions were taking place with the Alberta School Trustees' Association. Is the minister able to advise the Assembly whether or not the government of Alberta has commissioned any study on the cost of implementing a change in The School Act that would provide full educational opportunities as a matter of right for both the physically and mentally handicapped? Has there been any study that would give us some dimension of the cost?

MR. KOZIAK: Well, one of the things we must do is separate education from care and maintenance.

Then we must ensure that education is provided for all those who can benefit from an educational experience.

Under The School Act, as interpreted by the Supreme Court of Alberta, there is a responsibility on the school boards to accept children. The next question becomes the level of the program necessary for that child, and whether or not the school board should be responsible in any way for care and maintenance, which are beyond the provision of educational services. That's probably a more significant factor than the one the hon. member raises.

MR. NOTLEY: A supplementary question to the hon. Minister of Education. Has any study been commissioned at this time as to what the cost would be? The problem in this particular instance is that while the family in question won the battle, they lost the war. They managed to get the Supreme Court to recognize the need, but because the funds aren't available the quality of education to the child is totally inadequate. Quite frankly, have we any handle at this stage on the cost of providing that kind of program for the physically and mentally handicapped in Alberta to obtain the highest education they're capable of obtaining in the grades 1 to 12 school system?

MR. KOZIAK: Mr. Speaker, between the services now offered by school boards across the province and the services also offered by private schools — such as the Winnifred Stewart school, the Evelyn Unger school, and many others which members in this Assembly are very familiar with and which are doing an excellent job for handicapped students — the majority of students who have a handicap are in fact receiving an educational experience in this province within those types of institutions. A very, very small number of children are sent out of the province for their educational experiences because services are not available at present within the province. In fact we are looking at the future in this respect, not only in terms of costs but in terms of the type of programming and expertise we would need in order to be able to facilitate the needs of those children.

However, there still remains the separate question with respect to those children who need and are in fact receiving care and maintenance within institutions that come under the auspices of the Minister of Social Services and Community Health, and the degree to which they can benefit from an educational experience provided by a school board as opposed to the institution providing that care and maintenance.

MR. NOTLEY: Mr. Speaker, a supplementary question, again to the hon. minister. At this stage has any kind of feasibility study, cost/benefit study, or cost study been commissioned by the Alberta government to give us some indication of the additional costs to school divisions in this province of undertaking education as a right for every physically or mentally handicapped child who is not institutionalized under the Department of Social Services and Community Health, and who would be better living at home but going to school?

MR. KOZIAK: Mr. Speaker, the difficulty I have in providing the hon. member with the information he seeks is that there is information, but not on a

general basis. We now provide funds for special education teaching positions that we recognize for school boards across the province. Those funds are substantial; they've increased six times over the last seven or eight years. For example, the cost of operating the School for the Deaf under the auspices of the Department of Education is available on an individual basis.

To suggest that a study is necessary would also suggest that we would then be removing present organizations such as Winnifred Stewart, Evelyn Unger, and the Alberta School for the Deaf, and suggesting that all this responsibility would rest on the shoulders of the school boards.

MR. NOTLEY: Mr. Speaker, one last supplementary question. I beg to disagree. I think there is a difference between the institutionalized person . . . [interjections] I don't want to argue the point, Mr. Speaker, but simply ask the hon. minister: in looking at the question of present programs to aid school divisions, was any consideration given to the segregation, if you like, of the physically handicapped from those who are mentally handicapped? And was that segregation taken into account in determining the present grant structure?

MR. KOZIAK: Of course the major factor in determining the grant structure is the adult-to-pupil relationship that's necessary to provide a program for the specified handicap. In terms of certain pupils, we find that the ratio may be three students to one adult teacher; in other programs it may be 12 or 15. That's the major factor. As a result, the special education teaching positions are recognized, and funding is provided, on that basis.

MR. GOGO: A supplementary question, Mr. Speaker, to the Minister of Education. I wonder if the minister could advise if the policy adopted by the Alberta government with regard to mentally retarded children in our schools, whereby schools for the mentally retarded have now come under the auspices of local school boards, which is the envy of all Canada and very popular — does the minister plan in the near future any change in that policy, to shift that back to the system it was 10 years ago?

MR. KOZIAK: Mr. Speaker, the private organizations that have been working with the handicapped children, well in advance of the time it became popular for government and school boards to consider the provision of these services, have done an excellent job over time. Some of them have found it useful to come within the auspices and control of a school board. Others have found they can provide services better by arranging for an agreement whereby funds are transferred from school boards to these private organizations. Both are working very well, and we don't see any need to interfere.

MR. BATIUK: A supplementary question to the hon. minister.

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

MR. BATIUK: The minister stated that expertise varies in jurisdictions. Realizing that the minister himself attended school in the jurisdiction in question, could the minister advise whether the expertise in the county of Lamont is of a high standard?

MR. SPEAKER: Order please.

Rural Gas Co-ops

MR. MANDEVILLE: My question is to the hon. Minister of Utilities and Telephones. Could the minister indicate when rural gas co-ops can expect to receive funds under the new program the minister just announced to assist them?

DR. WARRACK: Mr. Speaker, I did make reference to that in a question posed to me, I believe, on the first day of the Legislature. I indicated that we'd be getting those initial cheques out as soon as possible, that we would be doing it on the basis of tentative calculations to be confirmed and reconciled later, and that we're in a position where we feel that all the work ought to be done in terms of the additional money so that we could proceed and double check all these calculations at once. In any case, I expect we'll be able to do that in the very near future.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Is it the minister's intention to have rural gas co-ops make application, or will they be handled under the Department of Utilities and Telephones?

DR. WARRACK: No, Mr. Speaker, we're carrying forward with those administrative matters at department initiative.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate who will qualify as applicants? The co-ops are getting back the grant or the funds; I understand that. But who will qualify? Will it be extra commercial installations or for irrigation, or will it just be for home-owners or homesteads?

DR. WARRACK: No, Mr. Speaker. Without getting into the very complex details that would be involved and far beyond the range of the question period, this is broad based. That is to say, for example, the movement from 50 to 75 per cent support was not triggered on specific kinds of uses. That's a broad-based application throughout the rural gas program.

Heavy Oil Development

MR. MILLER: Mr. Speaker, I would like to direct my question to the Minister of Energy and Natural Resources. In view of the announcement by Husky Oil regarding a proposed extensive development in the Lloydminster area, has the minister had an opportunity to meet recently with Husky Oil officials?

MR. GETTY: Yes, Mr. Speaker. I had the occasion yesterday to meet with the president of Husky Oil. He described to me and the Premier the plans the company has for heavy oil development.

MR. MILLER: A supplementary, Mr. Speaker. Could the minister inform the Legislature what time frame is involved in this development?

MR. GETTY: Mr. Speaker, this appears to be a five-year program in which there would be much more aggressive exploration and development drilling in the heavy oil sands in the Lloydminster area, on both the Saskatchewan and Alberta side; much more aggressive secondary and tertiary recovery projects in order to prove up the needed production; and a plan to have upgrading plants, one on the Saskatchewan side using production which Husky controls and inviting in other operators, and rejoining the Pacific group on the Alberta side in order to participate in a heavy oil upgrading plant there.

Health Care Insurance Coverage

MR. MINIELY: Mr. Speaker, yesterday the hon. Member for Drumheller asked three questions which I now have the answers to. The first question was: "Does the Alberta health care insurance plan pay for abortions done outside Alberta on women who have established residence in Alberta?" The answer is yes, if performed by a physician licensed to practise in the area, but only at Alberta rates.

The second question was: "Are there any geographical limitations on where the Alberta health care insurance plan pays for abortions performed on women who are resident in Alberta?" The answer is no.

The third question was: "Does Alberta health care pay for abortions performed in Alberta on women who are not residents of Alberta?" The answer is no; only if they are registered residents of Alberta.

ORDERS OF THE DAY

head: WRITTEN QUESTIONS

146. Dr. Buck asked the government the following question:

- (1) What are the names of the lawyers who perform the legal work for the Alberta Opportunity Company in Lethbridge?
- (2) What is the total amount each of these lawyers was paid in legal fees for work done for the Alberta Opportunity Company during the period between April 1, 1977, and March 31, 1978?

MR. DOWLING: Mr. Speaker, I accept the question and table the answer.

147. Mr. Mandeville asked the government the following question:

- (1) What is the name of the lawyer who currently performs the legal work for the Alberta Housing Corporation in Lethbridge?
- (2) What is the total amount that this lawyer was paid in legal fees for work done for the Alberta Housing Corporation during the period from April 1, 1977, to March 31, 1978?
- (3) Who pays such legal fees: the Alberta Housing Corporation or the home owner?

MR. MANDEVILLE: Mr. Speaker, could I just ask that this question be held on the Order Paper?

HON. MEMBERS: Agreed.

head: **MOTIONS FOR RETURNS**

144. Dr. Buck moved that an order of the Assembly do issue for a return showing:

- (1) the total number of full-time permanent female employees of the government of Alberta as at March 31, 1978;
- (2) the average salary of all employees referred to in (1);
- (3) the total number of full-time permanent male employees of the government of Alberta as at March 31, 1978;
- (4) the average salary of all employees referred to in (3).

[Motion carried]

head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

208. Moved by Dr. Buck:

Be it resolved that the Legislative Assembly of Alberta urge the government of Alberta to introduce legislation to reduce the present high cost of natural gas and petroleum derived energy to Alberta's agricultural, residential, and small business consumer.

[Adjourned debate March 30: Mr. Notley]

MR. NOTLEY: Thank you, Mr. Speaker. This is certainly an appropriate time to discuss a resolution of this nature. Last week we talked about the farm situation in the province as a result of inclement weather conditions — conditions that have improved substantially enough that the harvest will be completed, but the grades in many cases will drop sharply. So one of things we have to examine quite carefully is the input costs for agriculture in this province.

Mr. Speaker, the government will point out that we have a 12 cent a gallon rebate on farm fuel. It seems to me that if we take a close look at what has happened to the price of oil over the last number of years, we've seen a very steady increase in prices of farm fuel. A year ago we were looking at an average weighted price of about 51 cents a gallon for purple gas; now we're looking at approximately 56 cents a gallon, an increase of almost 5 cents in the period of a year.

Mr. Speaker, taking the average oil component of that gallon of purple gas, because there has to be a certain overhead for the bulk agent, the refining cost, and what have you, we arrive at about 41 cents, the actual cost of the oil in that gallon of purple gas. If we apply the royalty the government of Alberta collects on oil produced in the province — the standard royalty is about 40 per cent — we come out with a royalty figure of about 16.5 cents a gallon, based on the average price in October 1978. The farm fuel rebate is 12 cents a gallon.

Last spring when this matter was raised in the Legislature, the decision of the government both to

reduce the 15 cent gasoline tax — or at that time 10 cents, because it had been reduced before — as well as to increase the farm fuel rebate from 8 cents to 12 cents a gallon, I recall that hon. members of the Legislature argued that that was the equivalent of rebating the provincial royalty to farmers. As a result of the increase in the price of oil, it's my calculation that a closer figure as to the actual royalty on a gallon of purple gas would be in the neighborhood of 16.5 cents a gallon.

I would say that instead of just looking at a 12 cent a gallon rebate, the government should at the very least be increasing that to 16.5 cents. I think that's a perfectly arguable position. With oil prices going up, agricultural prices coming down, and the difficulty in the harvest this fall, I really ask whether it is a reasonable proposition to advance at this stage that we should be collecting royalties from the sale of fuel products to Alberta agricultural producers. I would argue that even with the 12 cent rebate, a portion of royalty is being paid to the province.

Mr. Speaker, I would argue that when we examine this resolution we might want to go a little bit further than simply increasing the farm fuel rebate to equal the current royalty. That's certainly one approach. But there is no doubt that over the next decade oil prices are going to rise regardless of the outcome of the current dispute between Edmonton and Ottawa over the price of oil on January 1; whether that goes up by \$1 a barrel is still subject to debate. But what isn't subject to debate is that over the next number of years there will be regular increases in the price of oil. That means that agricultural producers in Alberta can anticipate regular increases in the price of farm fuel. On the other hand, there is absolutely no guarantee that they can anticipate higher prices for their produce.

Mr. Speaker, one approach I would ask the government to look at quite seriously is to examine the legislation, passed by this House in 1973, that permits the government to set royalty rates in a number of ways. At this point in time, we have an average royalty rate of about 40 per cent. But as a consequence of that legislation passed in 1973, we also have the latitude of accepting part of our royalty in kind; in other words, accepting the oil instead of the money from the sale of that oil.

I don't think it would be an unreasonable proposition, in view of the fact that farm fuel makes up about 1 per cent of our total oil production, that we accept 1 per cent of our royalty in kind; in other words, take the oil and then have that refined at a set price so that it doesn't make any difference what happens to the world price. The world price can go to \$18, \$20, or \$30 a barrel, whatever the case may be. We've had all sorts of projections, all the way from a moderate increase to a very substantial increase in oil prices after the mid-1980s. But we could have a price administered — and I think it has to be faced squarely; it would be an administered price — for Alberta agricultural producers that would be based on some security of price over the next five or six years. Mr. Speaker, that can be done by the mechanism of taking part of the oil in kind; using as a basis for price-setting the rebate of the royalty, and from there moving to the principle of accepting in kind oil and oil products that could be supplied to agriculture producers at a constant price. I'd like the government to

consider that.

Now I know the argument can be presented by some that in fact that's fixing the price. That's true, Mr. Speaker. But when one looks at the components of international oil pricing, when you see the tremendous power of the OPEC nations, who act in concert, and the influence of the integrated oil companies, it's hardly a case of international oil prices presently being set on the basis of good old supply and demand. We have a system of worldwide administrative pricing.

I would argue that if that can be done for the benefit of the oil-producing nations, then in a very small way we could take the same principle and apply it to agricultural producers in Alberta. I suppose people might argue that it is simpler just to increase the rebate. If the price of oil goes up another \$1 or \$2 a barrel, increase the rebate. But more often than not the difficulty is that if you take that kind of procedure there will be a lag, as there presently is, between what the real royalty is and what farmers are receiving in the form of a rebate.

Now, Mr. Speaker, I'd like to move from there to address another element of this particular resolution. There are very substantial price disparities in Alberta. I've mentioned the disparities we see as far as bulk dealers are concerned, approximately 6 cents a gallon between Standard, just outside Calgary, and High Level. In talking to Department of Agriculture officials, I asked what the major reason is for this 6 cent a gallon increase. Is it because one bulk dealer is trying to make more money than the other, or is it largely the difference in transportation? I'm advised by officials of our department that the major reason for that 6 cent a gallon spread in Alberta is transportation costs.

Mr. Speaker, I remember a task force report several years before the last election. One of the proposals made by that task force is that we have a consistent wholesale price for gasoline. I thought it was a reasonable proposition at the time, and I hold to it today. We should set out a basic wholesale price that is the same in Edmonton or Calgary as it is in High Level in the north or Milk River in the south.

It's rather interesting when you talk to people in High Level, Mr. Speaker. They point to the local liquor store and say, if you want to buy a bottle of Canadian Club, you pay exactly the same for it in High Level as you do in Edmonton or Calgary. On the other hand for something as basic as energy, to use in your vehicle or heat your home, you pay a substantially larger sum of money. They argue pretty convincingly that if we can equalize booze costs, maybe we should be equalizing or moving toward a system of equalizing energy costs as well.

I think that's pretty hard to argue. We can look at the differences in gasoline prices. One can look at various prices in the city of Edmonton: 75, 76 cents a gallon; 77, 78 cents a gallon in places. On the other hand, this morning, No. 2 gas in High Level was 99 cents a gallon and No. 1 was \$1.02 a gallon. That's after we've taken off our provincial tax, Mr. Speaker.

Now I realize not all prices can be the same to the ultimate consumer, because the overhead of retailers will vary. If you've got heavy volume, large volume, you can have a lower markup than the dealer who has a very small volume. But that's not the point I'm making. I do not suggest that we should bring in a

price for the consumer that is exactly the same in one place in Alberta as in the other. Instead we should have a wholesale price so that by the time it gets to the service station — I don't care if the service station is in Indian Cabins, which is near the Northwest Territories border, or whether it's in downtown Calgary — that price delivered should be the same. It seems to me that kind of equalization would go some distance in overcoming the feeling, at least in large parts of northern Alberta, that they are getting the short end of the stick.

Mr. Speaker, I want to raise one other aspect with respect to the resolution we're debating this afternoon. We talk about the high cost of energy for commercial businesses. We have the example of the town of High Level, a community of approximately 2,000 people, that is attempting to attract business to its borders, that has among its people those who want to expand their operations and people who want to live in the community. But even though it's not a long way from one of the largest gas and oil fields in the province, the Rainbow field, High Level doesn't have natural gas. High Level has to use propane. Since propane was deregulated last April, the price has risen from about 34.7 cents a gallon to 37.9 cents, about 3 cents a gallon increase. In northern areas propane prices are higher. For a person living in the town of High Level, even a small house will cost an average of \$100 a month for propane. But in the wintertime that price really skyrockets. I was talking today with the administrator of the town of High Level, who advised me that one of his clerks, who just has a normal three-bedroom, well-insulated house — meets all the insulation standards — her bill during one month last winter, and we had a relatively warm winter, was \$226.

Now, Mr. Speaker, \$226 for energy is a trifle high. Those are Nova Scotia prices in Alberta. It really isn't good enough for us to say everything is fine, we've got the world by the tail, everything's in order, we don't need to make any changes or adjustments, when in fact we have mounting evidence that Albertans, certainly in the rural and northern areas of the province, are paying prices that are unreasonably high.

Certainly one thing that brings people of all political persuasions together in a community like High Level is the frustration at having the dubious distinction of energy prices in that community that act as a disincentive for diversification and decentralization. We hear an awful lot from this government about decentralization. You're not going to decentralize a great deal in High Level, Mr. Speaker, if you ship somebody up north to open up a business and they're hit with a utility bill — not to mention power bills, which are higher, or water bills — of \$226 in one month for heat alone.

So, Mr. Speaker, I conclude my remarks by saying that the resolution before us is worthy of support by the Legislature. I think it would be inappropriate for us to remain complacent and simply listen to the propaganda we get about the lowest prices anywhere in the country. We've heard it over and over and over again. The fact of the matter is that our utility and gasoline rates in parts of rural Alberta compare unfavorably with other areas in Canada. I argue very strongly that we need a consistent wholesale price.

One other point isn't directly included in this reso-

lution, because we're dealing here with energy-related costs. Utilities in general are a matter of irritation to Albertans. If you look at the cost of electricity and telephones, the average in Saskatchewan is \$156 per farm. The average cost in Alberta for the same utilization of electrical energy and telephone service is \$301, almost twice as much. Mr. Speaker, this information is from the Canadian Agricultural Outlook Conference, December 1977. It's now a few months old but, if anything, the comparison would be even less favorable for Alberta, because we've seen rate increases in this province on the one hand, whereas in Saskatchewan there was a freeze this year on electrical rates.

So I close my remarks, Mr. Speaker, by saying that clearly it's not the time to be complacent. We do have, I think, an obligation to move, to make sure Albertans, not just in Edmonton and Calgary but in the remoter areas as well, have the lowest priced energy anywhere. It seems to me that, sitting on this tremendous pool of wealth, it is a little frustrating for many people to go across the border to the state of Montana and find that prices are lower there or, if you're living in High Level, to find, even in parts of other provinces where there is a gasoline tax, that the ultimate price at the tank is still less than you're paying in a province without a gasoline tax.

So we can't continue to be complacent, Mr. Speaker. In my judgment we have to move forward with policies that will guarantee lower prices. I think this motion is an effort to achieve that goal, and that's one of the reasons I support it.

DR. WEBBER: Mr. Speaker, I take pleasure in taking part in this debate on the motion which urges legislation for a reduction in present costs of natural gas and petroleum-derived energy in Alberta. I congratulate the Member for Clover Bar for putting this motion on the Order Paper for discussion.

Certainly, Mr. Speaker, the cost of living, including the cost of utilities, has been and is a concern to my constituents, as it is to other members of the House. However, we have heard the term "energy crisis" for some time. It was used considerably several years ago to describe world shortages of oil and gas. It hasn't been used quite as much recently, and I guess this may be partly due to increased findings here in Alberta and also to an approaching apparent surplus on a worldwide scale. Often associated with the term is extensive public scepticism about any coming shortage. However, with the rate at which oil and gas consumption has been increasing, it's my view that the day is very fast approaching when the world will be demanding more oil than it can produce.

Mr. Speaker, the Energy Resources Conservation Board is predicting close to a quadrupling of our energy requirements here in Alberta by the year 2006, the main demand being in the industrial category, mainly because of the economic growth expected in Alberta in the next few years. This is outlined in a document called "Summary of ERCB Report: Energy Requirements in Alberta, 1977-2006". It's an excellent document, which I would recommend that all members read.

Mr. Speaker, we need only look back 200 years to understand our energy problem. There have been two transitions in the way people use energy. The first was some 200 years ago, away from wood to

coal, which was more efficient; this change was the basis for the Industrial Revolution. The second change was the growing use of oil and natural gas earlier this century. Oil and gas were more convenient and cheaper than coal, and the supply at that time seemed to be limitless.

But, Mr. Speaker, we are running out of oil and gas and must prepare for a third change, which I don't think is too many years away. We have to work toward stricter conservation of our oil and gas, to look at alternate sources of energy, especially more permanent renewable sources such as solar energy.

Some of the public has suspected that the oil companies withheld supplies of oil and gas. This goes back to a couple of years ago when we had the gasoline shortage in the United States. The public may have been right; I don't know. But those suspicions can't change the fact that supplies are limited. We continue to waste tremendous amounts of energy and use more energy in this country on a per capita basis than any nation in the world other than the United States. Even though there is an increasing awareness of the need for conservation measures, such as insulation of homes, the conservation methods built into the construction of new buildings, and the driving of smaller cars, I think it's equally important that the prices of oil and gas reflect the replacement costs of energy, because we just cannot afford to make energy artificially cheap.

In Alberta we recognize the limitations of our oil and gas supplies and the vulnerable position of being dependent upon revenues from our own gas. This is reflected in our policies of diversification and our attempts at gaining fairer prices for our oil and gas. Presently, as has been said many times, we are receiving large revenues from our oil and gas. But we have been in a bit of a dilemma, Mr. Speaker. We are a rich province, striving toward world prices for our oil and gas. Correspondingly, our utility costs are rising as a result of these increased prices and because of increased demand. These increased prices are a concern to all our constituents, especially those on lower and fixed incomes and senior citizens.

But, Mr. Speaker, as a government I think we have resolved this dilemma. We have established a policy containing three parts: one, of having the lowest energy prices for our citizens in Alberta; secondly, for getting a fairer return to Albertans for our oil and gas; and for getting a fair return to the oil companies to encourage further research and development of our energy. This development means an increased supply as well as increasing the number of jobs available for Albertans and Canadians.

Mr. Speaker, I'd like to look at a recent report on the costs of heating a home in some of the major cities in Canada. I don't have figures for the rural parts of the province. But with regard to our major cities of Edmonton and Calgary, the annual heating bill as of October 1, 1978 — I think over the previous year — was in the order of \$320 to \$344. This compares with \$449 in Winnipeg, \$544 in Toronto and Ottawa, and approximately \$600 in Montreal. So there is a considerable difference in the annual bills from these different places, with Calgary and Edmonton, Alberta, having the lowest across the country.

Mr. Speaker, the natural gas price protection program, which I don't believe the hon. Member for Spirit River-Fairview even referred to, shields Alber-

tans with the lowest heating cost by covering three-quarters of any natural gas price increases to the year 1988. In his remarks last spring, the Member for Clover Bar advocated the elimination of royalties levied on natural gas produced in Alberta and supplied to certain provincial users. From what I've been told and what I understand, this whole system is much more complex than our present natural gas price protection program, and the program we have provides the same benefits as his proposal.

Since 1974 the program has spent \$273 million. The current budget is \$110 million. The consumers benefit directly from these moneys. In his remarks last spring, the Member for Clover Bar indicated that the natural gas price protection program was costly and ineffective. Well, Mr. Speaker, it's costly in the sense that \$383 million has been going into the pockets of consumers in this province. I don't see where it would be any more costly than the program he suggests. He also said it was ineffective. I don't know what he means by that. It certainly is effective in providing to consumers protection against price increases.

Mr. Speaker, an opposition member using terms like "costly" and "ineffective" to criticize a program sounds nice. But I wish the hon. member would tell us how it's costly and ineffective. He gets up in this House and gives us some very entertaining speeches, which I enjoy. But making those kinds of statements would indicate to me that the hon. member possibly hasn't done his homework.

Again, Mr. Speaker, last spring the hon. leader of the Social Credit Party stood up in this House and made the following statement: "The natural gas price protection program has been absolutely little help to people on fixed incomes." Well, if we look at the increase of \$1 a barrel for the oil, and with the price of natural gas tied to that — say an increase of 17 cents — and we look at the four increases of 17 cents each since January 1, 1978, without going into a lot of arithmetic those increases would result in a bill of \$12.92 a month to the average city household in the city of Calgary. It would be an increase in their heating bill if there weren't a natural gas price protection program. But because there is, the increase will be \$3.23 per month. So there's protection of \$9.69 per month for each consumer in the city of Calgary. Now, the hon. Leader of the Opposition may think that's of little help. But \$9.69 per month added to the protection they were getting before means quite a lot, certainly for a senior citizen in my constituency.

Mr. Speaker, my calculations were based on the actual price increase in the cost of natural gas and certainly don't take into account such factors as inflation, capital expenditures, and the operating costs of the utility companies. But we do have a Public Utilities Board, a regulatory body which approves the rate increases for these companies, taking into account the needs of these companies as well as the interests of consumers in Alberta.

Also, Mr. Speaker, in his remarks last spring hon. Member for Clover Bar suggested rebates for propane users, similar to the natural gas price protection program. He didn't like the subsidies provided in the natural gas protection program, but he wants them for propane. I can't figure that one out.

With respect to propane, the hon. Member for Spirit River-Fairview [spoke] today about the harvest situa-

tion in Alberta this year, but not one word was mentioned about the recently announced subsidy of 10 cents per gallon for the use of propane in the drying of grain in Alberta. I think the concept of a subsidy for propane has some merit for those consumers in the rural parts of our province who are not being served by the rural gas co-ops. Certainly I think there are areas of the province where the co-ops would not be viable. Possibly a propane subsidy would certainly be worth considering for people living in those areas. But I don't think it's appropriate to subsidize both natural gas and propane if natural gas is available to a consumer.

During debate last spring, the hon. Member for Clover Bar was advocating a reduction in the 10 cent a gallon provincial tax which had occurred at that time. He also indicated that he didn't think it would be passed on to the consumer. But my recollection is that the entire 10 cents was passed on to the consumer, and that in some places a further couple of cents were passed on in a resulting price war.

Mr. Speaker, I just want to make a comment about the rural gas program; that is, the recent announcement from the Minister of Utilities and Telephones with regard to extending assistance of some \$12 million to rural gas co-ops in Alberta. I think this will certainly assist many of the co-ops, especially those in financial difficulties. This will help them pay off their capital debt or lower their natural gas rates.

Mr. Speaker, I indicated at the beginning that I congratulate the hon. Member for Clover Bar for putting this motion on the Order Paper. He specifically uses the word "reduction" of gas prices in the motion, and he had classified his recommendations under the heading of a comprehensive energy strategy. However, I think many of those recommendations are incorporated in what we are now doing. I certainly agree that we can't be complacent about the price of utilities to our consumers in Alberta. I think we need to continue to reassess the impact of increasing energy costs on Albertans, to continue with the policy of having the lowest heating costs for Albertans, and to consider other methods of keeping costs down.

I'd like to make one last comment, Mr. Speaker, one that the hon. Member for Spirit River-Fairview made just before he left the House: in Saskatchewan the costs of telephones and utilities were lower than in Alberta. I think one principal factor in increasing costs in Alberta has been the tremendous growth in this province. I think the rates we have in Alberta reflect the tremendous growth, the capital costs required for utility needs in the future — and certainly the growth component there is extremely important. But comparing costs I think our utility costs, even in the area of telephones, are considerably lower than in eastern Canada.

Mr. Speaker, I enjoyed taking part in this debate. However, I don't think we can end up reducing our energy costs in Alberta. I think energy costs are bound to continue to increase. But we have to continue to protect our citizens from these increases to the extent we can.

Thank you.

MR. KIDD: Mr. Speaker, my comments on this matter, as usual, will be few but very significant to some. [interjections] No need to use time by stating again the words of the motion; most members can read.

However, let me congratulate the hon. Member for Clover Bar for introducing this very timely motion. I'm delighted to see he's in the House, Mr. Speaker. I requested that any of his colleagues who happened to be passing the Buck request that he be here for my very important contribution to his motion.

DR. BUCK: I wouldn't miss the hon. member. I'd change any appointments or meetings I had just to be here to hear the hon. member.

MR. KIDD: As you should, sir, as you should. [laughter]

DR. BUCK: Now I want to know if he has anything to say, Mr. Speaker.

MR. KIDD: Yes, I have something to say. [interjections]

Mr. Speaker, the next thing I have to say is this: everyone in this House is familiar with the English songstress Gracie Fields.

AN HON. MEMBER: Not everyone.

MR. KIDD: Well, mostly older people. [laughter] In complimenting the hon. Member for Clover Bar in such a fashion, let it not be construed that I am emulating the Lancashire Lark to the degree where I am saying: Walter, Walter, lead me to the altar! [interjections]

Mr. Speaker, surely we need not repeat the facts, so well described by the hon. Member for Calgary Bow, concerning this government's vigorous actions regarding the cost of energy to every Alberta citizen. However, I agree with the intent of this motion. Surely all citizens of Alberta should enjoy the serendipitous situation we have in Alberta regarding energy. [interjections]

AN HON. MEMBER: Explain that.

MR. KIDD: Anyone who doesn't know what "serendipity" is, look it up. It's in every dictionary. I'll supply one. Move it over to anyone who really doesn't know what that says.

AN HON. MEMBER: Accidental discovery.

MR. KIDD: Yes, that's right.

Yes, Mr. Speaker, we should have lower costs for energy than those less fortunate citizens in the rest of Canada. Just because having been so blessed leads to low unemployment, low taxes, full bellies, and so on is no reason not to ask for more. That's what Sam Gompers said. I don't suppose many people know who Sam Gompers was. [interjections] Sam Gompers was the union leader. When asked what the unions wanted, what did he say? He said, more. More. That's right.

Mr. Speaker, I think I should clarify one thing. A comment has been attributed to the hon. Leader of the Opposition. He's not here, but I should clarify that. It was in the Gracie Fields context too. He's reported to have said, looking upon the balding head of the hon. Member for Clover Bar, That's the Biggest 'Astrodisaster' in the World. [laughter]

DR. BUCK: It's too bad, Mr. Speaker, that the people of the Banff constituency will not have that kind of representation six months hence. [interjections]

MR. KIDD: Mr. Speaker, back to the motion. Suppose we reduce by the amount of the royalty the cost of oil products used in Alberta. My numbers are that we use about a fifth of all the oil we produce in Alberta. And my numbers are generally correct; in fact, right on the button. [laughter] So if we eliminate the royalty revenue, hon. Member for Clover Bar, we could still maintain the small amount going into the heritage trust fund. But it really keeps it down very slowly. We could then be close to expending our income as it was received. Maybe that's okay. Of course, we would then have to eliminate the heritage trust fund program, the southern Alberta children's hospital, cancer research, agricultural research, AOSTRA — maybe that would get rid of that one and get rid of me — irrigation projects, and so on. Maybe that's okay. I'm being very serious here.

However, Mr. Speaker, let me be fair. I don't think it was at all the intention of the mover of the motion to reduce the cost to that extent. But seriously, how much reduction is enough? Is this province really suffering from high energy costs?

Let's take a look at agriculture, Mr. Speaker. I believe the bigger problem there is sales, not production costs. Our farmers can compete with anyone in the world. That's true. They're the most efficient farmers anywhere in the world. But the sale of their products is the answer. That's the real answer. Of course we're going to make sure that the farmers in this province have the lowest energy input costs of any province in Canada or any place in the world.

My next point, Mr. Speaker, is Canadian unity. Really, how much different can our energy prices be in Alberta if we sincerely believe in a united Canada? I don't believe they can be much different. Coming back to how much is enough: our bellies are full; we want more. Boy, we'd better face that one. We can't be an island here.

Mr. Speaker, another important consideration is the conservation of energy. Even with West Pembina — how much oil have we got in West Pembina? I wish the hon. Minister of Energy and Natural Resources were here; I'm sure he'd give us the exact figure on how much has been discovered.

AN HON. MEMBER: Three billion.

MR. KIDD: Three billion. Okay. However, even with that, our reserves of oil are not really great in the world context. Everyone is being human. Lower prices surely will give the citizens of Alberta a false sense of security regarding the extent of our reserves. Let's not be kidding ourselves. We're talking about costs of reserves. There are no cheap reserves in Canada except [for] somebody who finds a West Pembina. And that's only found because of the higher prices.

In addition, Mr. Speaker, there's the question of whether the economy of Alberta should be further stimulated. Can we handle the 40 per cent, or 50 per cent, or 100 per cent increase in the number of people coming into this province? We would surely be facing that influx, and we'd be facing it with a reduced revenue base, if we followed through and

instituted this motion.

Mr. Speaker, I said I'd be very brief, because I know a speaker may be following me who has something really important to say. Hopefully my comments were pertinent. I think this is an excellent motion. I wasn't being in any way derogatory. I want to compliment the somewhat less than hirsute Member for Clover Bar. However, Mr. Speaker, really only the Almighty knows the proper differential between energy prices in Alberta and those in the rest of Canada. I have to say my present feeling is that the differential should not now be appreciably increased.

Thank you very much, Mr. Speaker.

MR. PEACOCK: Mr. Speaker, in rising to speak to Motion 208, I suppose it would be appropriate at this time, after my colleague's dissertation, to adjourn debate. But I have a few comments I would like to make before doing so.

At the expense of being repetitive, I would point out that the farm fuel distribution allowance of 12 cents per gallon, the natural gas protection plan, the no sales tax that we enjoy in the province of Alberta, and the lowest personal income tax of any province in Canada do indeed — I think the initiator of this motion, the hon. Member for Clover Bar, has failed to appreciate what lies behind the remarkable advantageous positions that Albertans enjoy in the total amounts, which amount to hundreds of millions of dollars. It all adds up to Albertans receiving the lowest price for natural gas and liquid hydrocarbons in Canada.

Now I suppose we could stop the scenario at that point. But that's where it begins. This was all brought about by an incentive drilling exploration plan that came about because back in the early part of our forming of the government, the leader of this government had the courage to understand the necessity of getting the natural gas values into line with other forms of energy and liquid hydrocarbons, as far as BTU values were concerned. That led to the position that we as Albertans are enjoying today, a revenue that through the careful management and planning of this government, a fund called the heritage fund that affords to present as well as future Albertans the continuation and improvement of the way of life and the standard of life that we enjoy at the present time.

I need not repeat here that the heritage fund in its pursuit of irrigation programs for Alberta, its parks and recreational programs to improve the quality and way of life of Albertans, its deep concern for ongoing research in advanced technology for the continuing supply of these resources in such forms as AOSTRA and others indicates to me, Mr. Speaker, and I'm sure to all Albertans, the great consideration and careful management that this government has attached not only to affording Albertans the lowest natural gas and liquid hydrocarbon price in Canada, but affording them a continuation of that situation for some years to come.

So in moving adjournment of this debate, I must add that I am rather appalled that a thinking member of this House would bring such a resolution to this floor. May I now, Mr. Speaker, have the privilege of moving adjournment of this debate.

DR. BUCK: Why? Why not vote on it? You're afraid to vote on it.

[Motion carried]

206. Moved by Mr. Shaben:

Be it resolved that the government of Alberta give immediate consideration to the policy recommendations contained in the economic development position paper proposed to the government by the Northern Alberta Development Council.

[Adjourned debate April 4: Dr. Buck]

DR. BUCK: It's been quite a long time since we first spoke on the motion before us. I would like to compliment the Member for Lesser Slave Lake for bringing the motion before the Assembly. There are many areas of concern. I'm sure it matters not which side of the Legislature you sit on, the concerns of northern Albertans are real. They are concerns that everybody in this Legislature should be thinking about and bringing especially to the attention of the government to make sure we have some action.

I haven't quite decided yet if I am fully in support of the move to set up some more bureaucracies, as we are having set up in the effort, I hope, to get some action in the north. But I believe we'll have to wait and see what happens in the succeeding months and years, to see if the move to have some action taken on behalf of the people of northern Alberta bears fruit.

Mr. Speaker, I would be less than fair if I didn't compliment the Northern Alberta Development Council on the excellent piece of work it did in developing its report on economic development in northern Alberta. It's now incumbent upon this government to act on these recommendations, with special emphasis on dealing with the difficult problems facing the residents, especially some of the native people in the more isolated areas of this province. One cannot argue, Mr. Speaker, that the aims of the Northern Alberta Development Council are admirable; namely, to promote practical measures to foster development in northern Alberta. That's a fine-sounding phrase. But what happens on the action is really what we're going to look forward to witnessing.

Mr. Speaker, northern residents have impressed upon the Northern Alberta Development Council the importance of economic development of the north, with the statement of need for new enterprises — with emphasis on "new enterprises" — to create jobs, better access to the jobs already available in that area, and new facilities for processing and distributing agricultural products especially, and with better banking services and a great emphasis on better roads. I'm glad to see that the Deputy Premier and Minister of Transportation is here. I'm sure that in the minister's travels in northern Alberta — the theme when we were in government and the theme [with] the present government is always, we need more roads and we need better roads. Because it's such an immense land mass, I'm sure this will be an ongoing problem. I'm sure that by now the Minister of Transportation has found out that you just never build enough roads and never build them quickly enough. You never have all the potholes fixed as quickly as the people using the roads would like them to be filled.

Mr. Speaker, superimposed over the needs, as illustrated by the information supplied to the Alberta

Northern Development Council by citizens of the north, are the facts that incomes in the north are lower and living costs are higher. This is further complicated by the measureable increase in construction costs in the north. I'm glad to see that the Minister of Education recognized this problem and that there will be a differential — I forget the terminology the minister used — but there will be a distance from the distributor to the point where the schools are going to be built, which will recognize the fact that it does cost more to build schools in the northern part of the province.

It's interesting to note that the Northern Alberta Development Council's report on economic development in the north clearly recognizes the necessity for government involvement in development of industry, especially in the isolated northern regions. Mr. Speaker, there's recognition of the fact that there are places in the north where private employees are prepared to go and others where they are not. The Northern Alberta Development Council knows, as we all know, that the government's already required to fill the geographical gaps with social assistance in the areas where employment and industries are not available.

We have to be fair to governments. We can't just be critical when they try to make efforts to provide employment, especially for native people, that we have some failures. Governments, I know, are always sincere and honest in their efforts to put industries in areas where possibly they could not stand on their own feet. But just because some of these industries fail, some of these efforts fail, doesn't mean we shouldn't keep trying. Now I know that politicians stick their necks out — federal, municipal, provincial governments stick their necks out — because they're genuinely interested in trying to do something for the people in these areas. Some of these industries fail. That's the role of government. You have to take the good with the bad.

So on behalf of the people in the area who have brought these matters to our attention as well as the government's attention, I'm just saying that just because we've had some failures with DREE and some of these incentive programs to get industry in the isolated areas doesn't mean we shouldn't keep trying. I'm sure the hon. Member for Lesser Slave Lake knows better than any of us, because the areas that have had a lot of dollar input have had a lot of failures. But I'm sure the member would be the first to say that even though they weren't all successes, there was some glimmer of hope for some of the people in the areas that they would have meaningful and gainful employment.

The fact that in some of these isolated areas you do not have employment available means the people have to be supported by social assistance programs, because in a country as large as Canada and as bountifully endowed as Canada and Alberta, we have to provide these people with some form of assistance, of maintaining and bettering their livelihood. So welfare cannot always be considered just bad, and they cannot all be considered a rip-off, Minister of Social Services and Community Health. We all know — and I feel we all are responsible members — that people have to have assistance to try to better their standard of living.

Mr. Speaker, in looking at some of the representa-

tions made by the people in the areas of concern, we've always heard from the people in the Peace that there's a pipeline going down from the north to Edmonton with the revenues and natural resources, but only a garden hose going back up with services for the people, be it transportation, air transportation, highways, or services. The alienation. That the people in the north have two ministers still does not allay their feeling that they are forgotten.

I read with great interest the representation of the former mayor of Calgary. I'm sure it was with tongue-in-cheek when he suggested that the Peace River country secede from the union and form the new province of the Peace. Well, I guess many of us in this Assembly know the former mayor of Calgary. He has a great knack for getting people thinking and in fighting shape. But even though the people in the north feel forgotten at times by the provincial government and the politicians of this province, I'm sure they're not seriously thinking about forming a new province up there.

This article goes on to say one of the problems is that they put the British Columbia-Alberta boundary in the wrong place. Instead of drawing a nice neat line as we have on the map now, they should have considered extending the Alberta boundary to follow the Rocky Mountains so that the part of the Peace River block in British Columbia could have been part of Alberta. I realize the fortunate people of British Columbia have an excellent small "c" conservative government over there, called the Social Credit Party of British Columbia. But as far as looking at the actual geographic division we have, the Peace River block could have and possibly should have been part of the province of Alberta. That's a matter I'm sure we're not going to change, but it was interesting to see the line of thinking when Mr. Sykes, the former mayor of Calgary, facetiously said the Peace should secede and form a new province. There was some good reason for looking at the Peace River block as an entity.

In some of the representations the people in that area tell us as politicians, and always tell us, that they feel they are not getting the attention they should be getting. They agreed with the provincial government stand that we should have one rail authority, because the people up there feel frustrated. They say, you don't know who to talk to, where to start. So I'm sure the Deputy Premier is going to change that overnight, or at least he's probably trying to make a step in the right direction to get something moving. The report of the Hall commission seems to be gathering a little bit of dust. Possibly the fact that there may be a federal election, Mr. Minister, next summer may be a good time to dust that report off again and bring it to the federal government's attention. So the rail authority would be a major step in trying to sort out some of the rail transportation problems in the north.

On roads in the Peace River area in the northern part of the province, one of the criticisms coming out of some of the studies and representations is that we seem to be concentrating on enlarging the major road system and forgetting the secondary road system. In fairness to the Minister of Transportation, it is a gigantic problem. When we were the government and went up the Mackenzie highway, every place you stopped everybody said, when are you going to pave

the highway? I'm sure that was brought to their attention on the cabinet tour. When are you going to pave this or that highway? The most important road in any constituency, in any part of the province, is the one that goes right past your town or your door. That is the most important road to them. So the representations that are always made, I'm sure, go on and on. But I think we could place more emphasis on the secondary road program than we now are, especially in the Peace River country. Also, the representation was made that the heavy transportation vehicles come off the major highways on to the secondary roads, and they are not heavy enough to carry some of the increased loads. So that's an area of concern.

Of course, Mr. Speaker, this government doesn't listen. But time after time representations are made in the area of municipal finance. The present minister and the present government said, no way, no revenue sharing, no more strings-unattached grants. The problem caused by strings-attached grants is that sometimes the municipalities can't afford the generosity of the province, because in some of the matching grants the government just happens to have a larger cookie jar than do the municipalities. In order for the municipality to accept some of these grants from the province, they have to match the same amount, and they can't afford to do it in many instances. Of course we've had many discussions in this Legislature on operating grants, especially to recreational facilities. So it behooves the government not to be quite so close-minded on the matter of resource revenue sharing and non-conditional grants.

Mr. Speaker, when the cabinet tours this province — and I'd like to mention once again to the cabinet that the present government, the now government, did not discover cabinet tours. They have their large publicity machine, which indicates to the people of this province that this is an innovation, a new way of taking government to the people. [interjections] Well it's not. I will say to the hon. minister of manpower and labor — and I'm glad to see him back — that I will give him his due, in that the government has taken full cabinet tours to parts of the province. I will give the minister and the government that benefit of the doubt. But cabinet tours are not a new thing, Mr. Minister.

In all the cabinet tours, it seems that when communities want industrial development, they all want a large Gulf plant, a large Sherritt plant: they want a large industry. I will say to the Minister of Business Development and Tourism that he is moving in the right direction when he is trying to indicate to smaller communities that they should be looking to attract small industries. I will give the minister his due, that the work in that department — there is an excellent move in that direction. I would not be honest with myself or the people I serve if I said that everything the government is doing is bad, because it's not. But there are a lot of areas they can improve upon.

Some of the areas in the new annual report of the Northern Alberta Development Council — for the information of the members, I would like to indicate some of the goals for economic development. I'm not going to go through them, because the members are all quite capable of reading the report itself. But the goals for resource development, diversification of agriculture, and planning are all in the report. I think

that as members of this Assembly we would be doing an injustice to the people of the northern part of the province if we didn't look at this report very, very closely, because it really does tell us in the Assembly — and the people of the north want that voice to be heard — what some of their needs, wants, and aspirations are.

They have unique problems; they have special problems. They have problems with health services that are unique because of an area that has a large land mass. They have problems of trying to encourage their young people to come to NAIT, SAIT, the universities in Edmonton and Calgary, whatever secondary educational facility they're attending then, through a bursary program, to come back home. Because there's a better chance that people will go back, be they doctors, dentists, lawyers, what have you, if they come from that area. So the problems are unique, and an attempt to solve these problems will also have to be unique.

Mr. Speaker, I guess the message I would really like to leave with members of the Assembly is basically this: the people in the north have unique problems. They are asking us to listen to them; they are asking us to find out, to really know what's going on up in that country; to get up there as often as we can. I personally like the north country. I enjoy it, and I enjoy the people. So what they're saying to us is: will you please listen; we're part of this great province; we want you to know the problems; but most important, we want you to help us solve some of those problems.

Thank you, Mr. Speaker.

MR. SHABEN: Mr. Speaker, it's a pleasure for me again to have an opportunity to discuss Motion 206. I appreciate the contributions of the members of the Assembly.

On April 4 a number of members spoke on this very important question. I'd like briefly to comment on remarks made by members who participated in this very important debate.

MR. SPEAKER: I hesitate to interrupt the hon. member, but I overlooked drawing to the attention of the Assembly that the hon. member's speech now would conclude the debate.

HON. MEMBERS: Agreed.

MR. SHABEN: Thank you, Mr. Speaker.

In commenting, the Leader of the Opposition, among other members, agreed that the work of the Northern Alberta Development Council in developing this position paper on economic development was important and well done. Those comments are certainly appreciated. In his remarks, the leader made reference to the previous Northern Alberta Development Council, where the council and the branch had funds they could disburse. The present policy of the government and the Department of Business Development and Tourism is that the northern Alberta branch and the council do not have funds.

There's a reason for this, and it has worked very, very well. The branch is supportive of the Northern Development Council and acts on its behalf in making representation to departments of government on matters related to transportation, health, education, and

all other matters. The importance of this is clearly proven by the success the council has had in having departments act on matters raised in public meetings throughout the north. Generally the feeling of members of the council, and of northerners as well, is that the northern development branch should not be expanded to departmental status as is done in some provinces, but remain as it is so there can be direct contact with all departments.

Another comment of the Leader of the Opposition dealt with the recent report of the Environment Council of Alberta. The leader recommended that this be considered. It certainly has been, in that one of the major recommendations in the report was support to the farmers and the rural areas in flood-control situations. Where previously the support was on a fifty-fifty basis, as a result of discussions and the adoption of the recommendations in the report, the shift in funding was to 75 per cent by the provincial government and 25 per cent by the residents affected by improved drainage projects — vitally important to the citizens of northern Alberta. As well, in the heritage fund estimates tabled the other day, members of the Assembly are being asked to approve the stabilization project for Lesser Slave Lake which was recommended by the ECA in its report. So I'm pleased that this sort of action has been taken, and would draw it to the attention of the Leader of the Opposition.

On April 4 the hon. Member for Calgary Currie made some very important contributions to this debate. In his opening remarks he indicated that he was highly supportive of the principles contained in the recommendations in this economic development position paper. I know all members respect the views of the Member for Calgary Currie. They were certainly appreciated by the northerners.

One of the specific suggestions the hon. member made was that the chartered banks should be approached to discuss the specific needs and difficulties of northern Alberta, and these meetings should be arranged so that there's a clear understanding of the special areas of concern: an excellent suggestion from the Member for Calgary Currie. The member also recommended that there can be increased effort in the area of agriculture. This, of course, will be emphasized this fall, on November 22, 23, and 24. The Agriculture North conference will be held, involving the farmers of northern Alberta and leaders in agriculture. I hope all members of the Assembly take the opportunity to attend this very important conference.

The Member for Lac La Biche-McMurray made an important contribution to the debate. One of his comments dealt with the danger of the technical support component being carried out by experts from outside, rather than the citizens of the north being closely involved in the development of the policies and strategy. All members are aware of the recent announcement of the government that the northern development branch will be moved to Peace River. This will lend itself to closer support by northerners in the policy development of matters relating to northern development. The Member for Lac La Biche-McMurray also expressed concern about the fragility of the environment of the north and that special attention should be paid to matters related to the ecology. Of course, those matters were studied in the

ECA report. This is of value in all discussions related to development of the north.

The Member for Lac La Biche-McMurray recommended and urged continued development of infrastructure in the communities of northern Alberta. Members of the Assembly and Mr. Speaker, this is a very important aspect of the continued development of the north. Great strides have been made in the development of water and sewer systems, electric lighting to the isolated communities, and the addition of telephones — the improved communication that's so important to provide the base for the growth of communities within the north.

The Member for Lac La Biche-McMurray also mentioned the need for increased attention to a comprehensive agricultural research program for the north. As all members are aware, the Minister of Agriculture has put in place a \$10 million program of agricultural research which can mean a great deal in view of the number of developable acres in northern Alberta and, in turn, the potential for agricultural processing. We have probably 5 million acres of arable land that can be used for agricultural production in northern Alberta. With the proper management of these lands, the importance to northerners is just beyond belief and beyond our imagination.

The Member for Spirit River-Fairview made a number of comments, expressed general support for the paper, and specifically expressed concern about omissions in the paper. The Economic Development Position Paper was not designed to be specific. It's a framework with which the government can develop and expand existing programs to meet the needs of northerners. In the many hours of discussions by the members of the Northern Alberta Development Council, there was certainly no intention to move into the area of specific programs, rather it was recommendations as they relate to policy.

The Member for Spirit River-Fairview mentioned the need to have an overall controlling authority on rail lines in the north. Of course that has been taken by the Minister of Transportation and makes up a large part of the Hall commission report as a result of Alberta's representations. The Member for Spirit River-Fairview also mentioned the ECA hearings, and I've already dealt with that matter.

The Member for Calgary Glenmore made an important contribution to the debate and generally favored it, but had a concern about offering quick, not well thought out solutions to difficulties faced by northerners. That is a very useful caution. Any time governments take action, they should be aware of the possible reactions that could occur as a result of programs that are not carefully conceived. The Member for Calgary Glenmore also mentioned that the types of developments that should be encouraged are those that are natural or indigenous to the resources of the north. That should be kept in mind by northerners as well as policy-makers within the government.

The Minister of Recreation, Parks and Wildlife also entered the debate and, as the former minister responsible for the Northern Development Council in the term from 1971 to 1975, and who made a very important contribution to the structure of the council, contributed and highlighted the need for agricultural research and was highly supportive of the agricultural conference which will be held this fall, as well as being instrumental in the economic conference that

was held in Peace River in 1975 and was a great success. The Minister of Recreation, Parks and Wildlife also stressed the need for continued attention to the roads and transportation systems of the north.

The Minister of Business Development and Tourism also commented briefly on the position paper, was supportive of the council and their deliberations in developing the paper, but did not participate directly in the preparation of the recommendations. It should be clear to members of the Assembly, Mr. Speaker, that the recommendations flow from those private citizen members of the Northern Development Council who serve the needs of northern Albertans so well. The minister mentioned in his remarks that the document is a framework and is not intended to be a panacea or a complete answer to the needs of northern Albertans.

I would like to highlight a couple of areas in the report which have been mentioned by other members: the educational needs and special needs of the north and some of the ongoing program. Reference was made earlier to the northern bursary program, which provides bursaries to northern students who commit themselves to provide services to northern Albertans, after graduation. It's a highly successful program and growing in popularity among students. We are now at a stage where the students are returning to the north and making their services, knowledge, and skills available — a very important program.

This fall, the Minister of Education launched the Education North project, another program that is so very important to the smaller isolated communities. The program is aimed primarily at keeping young people in school and allowing them greater ease in transition from the isolated communities to the larger urban centres. Also in the area of education, the vocational centres and their upgrading programs, the CVCs — the community vocational centres, which go into the communities — must be continued. It so very important, because education must be the basis of the economic growth of north Alberta.

The comment that I think was made by a number of speakers in the course of the debate was that government must not move too aggressively and create an imbalance in the north. The Member for Clover Bar commented about massive government involvement in specific areas and some of the dislocations it causes. Of course this causes concern to people not necessarily of the north. There is always greater difficulty in adjusting to rapid growth than slow growth. So ideally the growth of communities and the development of job opportunities and business should not be artificially stimulated to the extent that it causes undue disruption.

The Member for Clover Bar mentioned roads and the continued need for development of roads in northern Alberta. There's no doubt that this is a major need, and attention is being applied to it by the Minister of Transportation. One of the key moves that has been made is the decentralization of regional transportation services, which has provided for new district engineers, closer contact between the people and the engineering staff to allow the priorities to be developed in a reasonable way that meets the needs of local people. The development of airports and air facilities is so very important to the transportation needs and the ultimate growth of northern Alberta.

Mention was made of grant programs by the Department of Regional Economic Expansion and the difficulties that were encountered with some of these programs. I think one of the areas where we can guard against this sort of thing occurring in the future, and steps have been taken to prevent that happening, is that there be consultation among the people in the community, the provincial government, and the industry before steps are taken. Previously the development of industry, for example in Slave Lake, took place without adequate involvement of the province and the repercussions on the community. Now the policy of the government is that there is this sort of discussion and consultation among the people, municipalities, the province, and the federal government, if involved.

The comment was made that some individuals from the Peace country had indicated a desire to separate from Alberta. That is not at all the case, from the many meetings we've had. As a matter of fact, on a recent visit to the Northwest Territories there was a plea by the members of the Northwest Territories to join Alberta as well.

The comment was made by the Member for Clover Bar that the government doesn't listen. In the five-year review, which was tabled in the House the other day, a chart shows the briefs, the visits to various communities in northern Alberta, and the responses to the briefs. I think it's just an outstanding credit to the northern development branch and the councillors to the success they've had in urging government action on matters they've raised and the clear success rate of those matters. Chart 4 on page 20 of the five-year review shows positive action taken: over 45 per cent; that is, on very difficult questions that were raised at these public meetings.

So I don't believe there is any substance to the contention that the government doesn't listen, and that's where the council is so very important as a sounding board. It may even be a useful vehicle for all rural Alberta, and it could be developed into a rural development council rather than a northern development council, and visit communities throughout the entire province.

Just before closing I'd like to acknowledge the work of the members of the Northern Development Council in the period I've served with them, and the dedication they have brought to the concerns of northern Albertans. Bearing in mind that these people take time out from their jobs, their work, and their businesses to travel throughout northern Alberta, to listen to the concerns of northerners, to sit in closed meetings and try to develop positive, constructive suggestions for government policy — to do this on a volunteer basis — is just tremendous. I think members of the Assembly certainly appreciate it. I know the Minister of Business Development and Tourism appreciates it.

I hope members of the Assembly support the motion that policy recommendations contained in the position paper be considered by the government and favorably considered by the government.

Thank you, Mr. Speaker.

[Motion carried]

212. Moved by Mr. Notley:

Be it resolved that the Assembly urge the government

to repeal The Public Service Employee Relations Act and conduct its labor relations pursuant to The Alberta Labour Act.

And be it further resolved that the Assembly urge the government to drop the concept of an arbitrary wage guideline for government employees in the coming year in favor of a commitment to make the collective bargaining process work.

[Adjourned debate April 6: Mr. Taylor]

MR. TAYLOR: Mr. Speaker, I want to add one or two points to the comments I made when this resolution was previously before the House. The first one is that I think every hon. member of the House is interested in the welfare of our working people. I personally would work hard and go to no length of effort to make sure our working people get a decent and a fair wage and that they have the opportunity of having good working conditions. But this resolution doesn't deal with those things vital to the everyday workman or the everyday working woman or person. It deals with procedures which are not tied to the amount of wages received or working conditions. It's simply saying that we want a certain procedure thrown out and another procedure followed.

I can't go along with that type of thing. I think the general public is getting very, very sick and tired of those who are urging that strikes be the major means of bringing about the things working people want. Working people themselves are concerned about their working conditions and their wages. If their wages and working conditions are good, that is the main criterion; not whether it's under The Public Service Employee Relations Act or The Alberta Labour Act.

As a matter of fact, I fully supported The Public Service Employee Relations Act. I felt that the people of my constituency, the people I have the honor of representing, were sick and tired of strikes, and that those in the public service should set an example to those in the private sector. The government should set an example to make sure that wages were fair and square, and that working conditions were good. I think that is being done.

Since the passing of The Public Service Employee Relations Act, which bars the public service from going on strike, not one person in any meeting or in any part of my constituency has said they want that act repealed. Not one. I have dealt with this in public meetings, and the people support the action of the government and the action their own member took in supporting that particular bill. So I cannot support the repealing of that. As a matter of fact, to repeal that would be to invite conditions such as exist in Canada today in regard to the postal strike. If the federal government had not tried to be beneficial to everybody and try to get the labor vote by saying, yes, yes, be good fellows, and had not provided the right to strike to the postal situation, we may have had a different postal situation in Canada today. I think we would have. Whenever I hear the president of the postal workers, he's continually speaking about rights — their right to strike; their rights — not about how much their workmen are getting, not about the working conditions, but their rights.

Well, Mr. Speaker, rights have to have responsibilities too. You can't have rights without responsibilities. Sometimes I hear those in prison talking about

their rights. Whenever I visit them and they talk to me about their rights, I say, that's fine; you have some rights, but you also have some responsibilities. If we don't exercise our responsibilities, our rights can soon disappear.

I think the labor union itself, the labor movement today, has done much good in raising the standard of living in this country and has done away with conditions imposed by "bad" employers — and there are some — but have got those conditions up to a pretty good standard. But I believe the labor unions are weakening their position with the people of Canada when they start to support another union that is talking about its rights but doesn't even want to obey the laws of the country in which it lives. If we all start to obey only the laws we like and not the ones we don't like, there will be chaos in this country. The rank and file postal people should realize that.

Now in every labor dispute there are two sides, the employers' side and the employees' side. In the case of the public service, the employer's side is taken by the government and that represents the public interest, the interest of the people of the province. They have their side to think about, and the employees, who are the workers, have their side. I can't for any reason understand why two groups can't get together without going on strike. In my view there's just no reason at all for a number of our employers across this country today not having contracts with their employees. At least I don't know of any such reason. These negotiations should start weeks ahead, not wait until the contract expires. I heard over the air today about Nordair working a year without a contract. This type of thing is not fair to the employers, to the general public, or to the employees. There are two sides in most of these questions.

I come from a coal-mining area where strikes were rampant at one time, and I can't remember any strike where we actually gained very much. As a matter of fact, most of the time we lost. When my brothers or my father went on strike it took us months to catch up. Even with the increased wages, sometimes we never caught up what we had lost. If they had remained at work and negotiated their wage, their working conditions, the working men may have benefited more than they did through striking or lockouts.

I'm not going to say that no strike has ever produced better wages. I think it's a last resort weapon. But today in our country we see people using that weapon as a first resort. The original idea of a strike was for employees to withdraw their services in order to force an unreasonable employer to think about it and to lose his profits, and therefore to treat his employees properly. But today that's not the situation at all in many of our strikes. Now the real sufferers are the general public, the third party, the people who have nothing to do with settling the strike, nothing to do with setting out employment terms and conditions of the employer or the employee.

I commend the government for bringing in The Public Service Employee Relations Act. It ensures good working conditions for our employees and fair wages on behalf of the people paying those wages. I cannot support this bill. This resolution is simply wanting to go back to where the negotiations start after the contract ends. It doesn't ensure working conditions at all; it simply ensures difficulties and trouble.

The second point I'd like to raise in regard to that, Mr. Speaker, is I believe that vital services such as police, firemen, hospital workers, and attendants at jails should not have the right to strike. This has too much impact on doing away with the laws of the country, leaving patients, old people, or people who are mentally unbalanced or insane without adequate care. I don't think anyone should support strikes for those vital services.

I remember when Section 106 was put in the Labour Act a few years ago to give the cabinet authority to end a strike where there was extreme privation or life or property was in danger, and so on. I remember the terrible struggle some of the leaders of the labor unions put up, and the dire consequences they predicted. None of those things has happened. That section has been properly used on occasion where there was privation or damage to innocent people. Again, the thing can be done while the people are still working, not withdrawing their services and leaving innocent people to suffer.

The only other thing I want to say in regard to this bill is that I think all of us should make sure our working people have fair and reasonable wages and fair, good, reasonable, and proper working conditions. If those things are achieved, surely wages et cetera should be a matter of negotiation, not the occasion to cause strife and turmoil among many innocent people who have nothing whatsoever to do with the particular item.

I want to mention one other point in regard to The Alberta Labour Act, which I think is a good act. I believe too many of our negotiations that have involved strikes are not involving the actual working conditions or wages, but things that are properly the responsibility of the employer. I don't think the workers should have the right to run the plant. The employer's money has been invested; the employer's responsible for that. I don't think that should be an item of negotiation. I disagreed severely with fellow teachers who, in the recent Edmonton strike, wanted to become the school board as well as teachers. I think the general public will not go along with that. We should have our division of responsibilities set out very clearly in the Labour Act so we know that when a strike occurs, it's for those things the employee has some responsibilities for, his wages and working conditions, and not the management that should be done by the employer.

The country, and maybe the world today, is running into a lot of labor troubles. I would like to go on record as saying that I think our workers are entitled to a fair and proper wage, and good and proper working conditions. But I don't think our workers have the right to make innocent people suffer by withdrawing vital services in our country.

I oppose the resolution.

MR. YURKO: Mr. Speaker, it's my privilege to speak on the first part of this motion, which deals with The Public Service Employee Relations Act versus The Alberta Labour Act.

First of all, Mr. Speaker, I would like to make some general remarks in regard to labor relations in the nation today. There exists a very sad and dangerous condition. At this very moment anarchy is being practised in the country from one end to the other. This type of anarchy can lead to violence and indeed an

accelerated type of anarchy in the area of labor/management negotiations. It is being practised by unwilling and unwanting, law-abiding citizens. Good citizens of the nation are engaging in this practice. Surely the question is, why? Surely the bulk of the post office inside workers don't willingly want to break the law and defy established authority. Surely the bulk of the post office workers don't willingly want to be fined or even convicted and punished. Why, then, has this situation arisen? Why is this desperate situation allowed to continue to its possible disastrous ends?

Obviously, Mr. Speaker, there are many reasons. But primarily they can be placed in three categories: first of all, the failure of the existing collective bargaining system or process between the federal government and the post office workers; secondly, the strident and increasingly defiant and irresponsible posture of a succession of post office union leaders; thirdly, a federal government whose very nature is mismanagement that little understands the process of managing the nation's affairs; and, fourthly, the fact that public servants were given the right to strike in the federal service during the mid-60s.

Now, Mr. Speaker, I am sure that every single member of this Assembly joins with me to urge the postal workers in Alberta to return to work and cease defying the law of the nation. [applause] Indeed, I'm sure that all members of the Assembly and almost all Albertans would urge the postal workers in all of Canada to return to their jobs and allow the process of law and order to prevail.

But, Mr. Speaker, this does suggest something in the system of collective bargaining in Canada and indeed the previous system in Alberta. There is need for a change in the collective bargaining process, particularly in the public sector. Indeed I would recommend very seriously to all members of the Assembly — and not only would I recommend; I'm going to make a presentation to all members of the Assembly of a copy of a very excellent speech I read recently.

AN HON. MEMBER: Read or wrote?

MR. YURKO: No, I read this one, a speech called Employment, Inflation and Politics, by Peter Jay. There's a rather interesting paragraph, Mr. Speaker, that with your permission and the House's permission I'd like to refer to very quickly. It says:

So we reached the depressing conclusion that the operation of free democracy appears to force governments into positions (the commitment of full employment) which prevent them from taking the steps (fiscal and monetary restraint) which are necessary to arrest the menace (accelerating inflation) that threatens to undermine the condition (stable prosperity) on which political stability and therefore liberal democracy depend. In other words democracy has itself by the tail and is eating itself up [pretty] fast.

The nature of labor/management relationships in the nation today is to a large degree partially responsible for the rate of inflation in the nation. As a result, because of the need to take some new directions in the public sector, the province of Alberta has taken a new initiative in regard to its own legislation governing the labor/management relationships with

the public sector. In the public sector there exists the relationship of security of tenure, akin almost to a family relationship, which is not matched often in the [private] sector. Demand and measure of performance, and the consequences of lack of such performance, surely is punished differently than in the private sector. Indeed it becomes rather difficult to lose your job once you have a job in the public sector, because the government can't go broke. Management in government is subject to a different kind of shareholder influence. Government is constantly expanding rather than receding, virtually assuring tenure and continuity. Government services the weak, the needy, the handicapped, the sick, and other segments of society, and therefore interruptions in its services are indeed a hardship to many people in society. In other words, in some areas strikes are literally unaffordable, unacceptable, and so it is with much of the public sector as against the private sector.

Surely then there is a need for a new approach to deal with the very difficult problems of labor relations in the public sector. This government has acted in this regard and brought forth The Public Service Employee Relations Act. There are many reasons and perceived advantages for enhancing collective bargaining brought about by this act. It removed confusion as to which piece of legislation applied to which public body. It consolidated several acts into one act. Indeed The Public Service Act, The Crown Agencies Employee Relations Act, labor matters under The Universities Act and The Colleges Act, were all consolidated under this act. And this was needed. It provided for mediation at the request of the parties, for binding arbitration with the costs borne by the government. And, Mr. Speaker, it removed the right to strike for the public service and all those crown corporations, agencies, commissions, and boards covered by The Public Service Employee Relations Act.

This was a beginning in an area which will be reviewed and considered by an increasing number of governments in the western world, much less Canada. It is an area that has to be given serious consideration, because of the nature of labor/management relations on inflation itself. Inflation has now been known to be a destroyer of a democratic society. Indeed the end result of inflation itself is massive unemployment. So in undertaking their duties it is necessary for governments, at the appropriate time, to move to deal with the problems of labor/management relations, particularly in the public sector. Strikes in the public sector, though respecting the democratic rights of public employees, nevertheless can and often do interfere profoundly with the democratic rights of many innocent people.

After some real soul-searching, by this government, strikes in the public sector have been thought to be inappropriate. Because no independent third party is present to mediate the employee/government disputes, the new act sets this forth in an excellent way, and indeed provides the mechanisms that have been incorporated in The Alberta Labour Act for many years and have worked very well.

Mr. Speaker, as a member of the Executive Council when this legislation was passed, I want to assure the Assembly that, like most of the members of this Assembly, I am sure, I stand behind this piece of

legislation. Therefore I would urge the Assembly to vote down Motion No. 212.

MRS. CHICHAK: Mr. Speaker, there are only a few moments left to debate the motion before us. I have some extensive material. I would like to put forward. As my opening remarks, I would like to summarize the four pages of debate of the hon. Member for Spirit River-Fairview on April 6, 1978. He really made two points: one, that he was attempting to indicate that the civil service of the Alberta government was denied full collective bargaining privileges. In his interpretation, it would appear that he meant full collective bargaining privileges to include the right to strike. The other point made extensively in his remarks in the four pages of *Hansard* of April 6, 1978, was that the government of Alberta, by setting the wage guidelines, was in effect removing the proper collective bargaining procedures because of a wage ceiling.

Mr. Speaker, in my opening remarks I would simply say that I totally disagree with the hon. member who moved the motion. In the course of my remarks, if not this afternoon perhaps on another opportunity, I hope to develop my argument as to why I disagree. Hopefully the points I shall put forward will indicate how ludicrous the debate of the hon. member, in opening the motion on April 6, really was.

In looking for a moment at the history of the procedures in Alberta with regard to the civil service and the bargaining privileges or the mechanisms by which wages and working conditions were determined in this province, I would simply like to say that prior to 1971 the terms and conditions of employment were determined unilaterally by the employer — that is, the government of Alberta — without any negotiation insofar as acceptability of the conditions and the wage level set. Yet interestingly enough, in the debate of May 10, 1977, I think, one of the hon. members of the opposition stood boldly in this House and indicated his, and his party's, support for the right to strike. There doesn't appear to be very much consistency on the position taken.

Mr. Speaker, before continuing with the history as has been developed over the years, I just wanted to put forward these few points for attention. I would like to have the opportunity to continue this debate on another occasion. Therefore, Mr. Speaker, at this time I would move to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, it is the intention tonight at 8 o'clock to have the Assembly move into Committee of Supply to consider the estimates of the heritage savings trust fund capital projects division and supplementary estimates. To simplify matters, I'd suggest at this time that if we move the Assembly into Committee of Supply. We could then move directly into consideration of the estimates at 8 o'clock, without the necessity of moving Motion No. 22 at that time.

Accordingly, I would ask for unanimous leave of the Assembly to move to government business — that is Motion No. 22 — so that the hon. Provincial Treasurer

er can move that motion and be ready for supply consideration tonight.

MR. SPEAKER: Has the hon. Government House Leader the leave requested?

HON. MEMBERS: Agreed.

head: **GOVERNMENT MOTIONS**

22. Moved by Mr. Leitch:

Be it resolved that the Assembly do resolve itself into Committee of Supply, when called, to consider the Supplementary Estimates of Investments (A) 1978-79 and the 1979-80 Estimates of Proposed Investments, of the Alberta heritage savings trust fund capital projects division and that the Messages of His Honour the Honourable the Lieutenant-Governor, the said Supplementary Estimates and Estimates, and all matters connected therewith be referred to the said Committee.

[Motion carried]

MR. SPEAKER: Having heard the proposal by the hon. Government House Leader, do hon. members agree that when they reconvene at 8 o'clock they will be in Committee of Supply until the Committee of Supply rises and reports?

HON. MEMBERS: Agreed.

[The House recessed at 5:30 p.m.]

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

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

[Dr. McCrimmon in the Chair]

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

ALBERTA HERITAGE SAVINGS TRUST FUND CAPITAL PROJECTS DIVISION 1979-80 ESTIMATES OF PROPOSED INVESTMENTS

MR. CHAIRMAN: The votes will be by project. There are only two supplementaries — Environment, and Recreation, Parks and Wildlife — which in each case will be brought up at the end of that particular section.

Health Care Facilities and Applied Health Research

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

MR. MINIELY: Mr. Chairman, I would like to . . . [ap-
plause] I see I've got one fan over there.

DR. BUCK: That's because you're leaving.

MR. MINIELY: You're always wise when you're not here anymore, Mr. Chairman.

I'd like to commence the examination of the Alberta heritage savings trust fund estimates by announcing further details on applied research, comprehensive cardiac care, then go on to a brief status report on other Alberta heritage savings trust fund health care projects.

Mr. Chairman, the planned commitments of \$10.42 million for the comprehensive cardiac program to be undertaken this fiscal year, funded through the Alberta heritage savings trust fund, have been arrived at, in the case of cardiac care, on the basis of the review of submissions by a broadly-based *ad hoc* committee which was formed and made up of representatives of the Alberta Medical Association, the College of Physicians and Surgeons, the deans of medicine, cardiologists, general practitioners, lay citizens, officials, and advisors.

After reviewing the recommendations of this committee, I am pleased to announce the following projects: funding for evaluation to be conducted at the University of Alberta; funding for catheterization laboratories at the University of Alberta, Foothills, Royal Alexandra, and Holy Cross hospitals; funding for outpatient rehabilitation programs in Edmonton at the Edmonton Cardiac Institute and in Calgary at the Calgary General Hospital; funding for increased cardiovascular surgical capacity at the University of Alberta and the Holy Cross hospitals; funding for a pediatric cardiology program at the University of Alberta; and funding for cardiac intensive care or coronary care units at the University of Alberta, the Edmonton General, and the Misericordia hospitals.

This program and the programs to follow over the next three years will move Alberta to a leadership role in heart research, diagnosis, surgery, and rehabilitation in Canada and throughout the world. This is recognized by the World Health Organization which, as part of this recognition, will be holding a symposium on cardiac medicine at Government House in Edmonton from November 22 to 24, 1978. More details on the World Health Organization conference will be made at a later date.

The Alberta heritage savings trust fund initiative toward applied heart research follows broad principles established by our government that all submissions must be within applied research areas, within broad citizen priority, within a continuing research mechanism and evaluation of effectiveness, and provide a continuing commitment of funds and adequate controls on recurring and escalating costs in future years.

To maintain sound financial management and project control, my department will require monthly reports of actual expenditures for each project. Audited financial statements will also be required at the end of the fiscal year. Objectives, methodology, and criteria will be established and co-ordinated for each approved research project.

Another first for Alberta will be the institution of a province-wide information system which will be co-ordinated by the University of Alberta. This is going to provide us with an information gathering capacity on heart disease which will strengthen research, evaluation, and follow-up of patients and provide a springboard for primary and secondary prevention of heart disease. It will recognize the interrelated parts of care for heart patients and the need for strengthening each individual function so that they perform

together for the greater benefit of the patient and his health.

This information will be used by the medical profession for medical school education and continuing education. Particular attention will be paid to the primary care doctor, the family practitioner. Also in this regard, we have had meetings with other members of the health professions, including the Alberta Association of Registered Nurses.

Mr. Chairman, this comprehensive cardiac care program will stress short- and long-term rehabilitation, vital for heart care patients. This is the first time this has been done on a provincial basis, recognizing the pioneering efforts of the Edmonton Cardiac Institute directed by Dr. Talibi.

Cardiac rehabilitation is a program to meet the United Nations resolution on health care. It will be based at the free-standing Northern Alberta Cardiac Rehabilitation Institute in Edmonton, and at the Calgary General Hospital in southern Alberta. Monitoring and evaluation in terms of effectiveness will be done by the universities on each approach after five years. This presents us with a capacity for patient follow-up and will complement the province-wide information system.

All the programs announced today, Mr. Chairman, are geared to total health care as defined by the United Nations: namely, health is not merely the absence of disease or infirmity, but the physical, intellectual, and emotional well-being of our citizens. Viewed as a five-year plan for the strengthening and upgrading of heart disease programs throughout Alberta, these measures will be, to paraphrase a comment by the World Health Organization, probably the most exciting initiatives in the world in this area, which represents the major and most mounting challenge in health care.

Mr. Chairman, in connection with the initiatives in comprehensive cardiac care and other health care matters, it's my intention to visit Australia and New Zealand in January 1979. While in each country, I plan to meet with federal and state officials to discuss their experience in developing and maintaining national state health programs, the control of rising costs of health care, programs in cardiac and cancer care, mental health programs, ambulance programs, and the general hospital system.

Members will have heard of the flying doctor concept. It's my intention to look at that to see whether we can learn from that concept in what is referred to as the outback of Australia and whether these will have some application in the development of our ambulance programs in Alberta. It is also my intention to visit one of six hospitals in Australia where heart units which allow the condition of the heart to be checked by telephone have been introduced by Australia's royal flying doctor service in sparsely populated areas in the state of New South Wales. This service as well may have import for the development of our cardiac care programs in Alberta.

Mr. Chairman, I'd now like to turn to an overview of the capital projects, beginning with the Alberta Health Sciences Centre. The latest cost estimate approved for the projects for project management purposes is \$113,874,723. This is made up of the original figure of \$86,394,800 in 1975 dollars, presented by the University of Alberta Hospital board; adding inflation to May 1977, the figure became

\$97,766,850. The additions to program included underground parking at a cost of \$1,333,470, and library expansion, \$3,825,200, providing a total figure of \$102,925,520 in May 1977. Based on the annual report which I tabled today for the information of members of the Assembly, the first progress report on the Health Sciences Centre, inflation has now been calculated at 8 per cent to April 1. When applying 8 per cent to the timing expected when the contracts and tenders will be awarded, the inflation amounts to \$7,659,638, providing a total of \$110,585,158. As I said in the heritage fund committee, there was an oversight by all concerned in the planning office costs. We've added those in — a cost of \$3,289,565 — providing the total I mentioned earlier of \$113 million-plus.

Mr. Chairman, at March 31, 1978, phase one, stage one of the Health Sciences Centre is four weeks behind, due to delays in the delivery of steel and other withdrawals of service. But the management board is adapting a work sequence and altering productivity targets. They anticipate they will be able to recover this time lost, and they are still anticipating the target date of August 31, 1982.

The outstanding decisions with respect to the Health Sciences Centre include a decision for the use of 1,666 square metres of space which was intended for the medical examiner. That medical examiner will now be housed in a separate facility. Also, a further decision on programming will be the current desire of the Health Sciences Centre project management team and board to retain the clinical service wing, which is intended to be demolished for redevelopment. Both of those matters will be considered in the context of the government's developing proposal on medical research, and those decisions will be made in relation thereto.

Mr. Chairman, the southern Alberta children's hospital in Calgary is estimated — its actual cost, because this is a fixed tender, is \$29,765,073, of which the province will contribute \$27,924,368 and the Children's Hospital Foundation will contribute \$1,840,705. This project is on target. The school is completed. The new hospital is under construction and is expected to be completed in the spring of 1980.

Mr. Chairman, the Southern Alberta Cancer Centre and specialty services facility — the cost figure that will be utilized for project management purposes is \$64,415,679 in 1977 dollars. The implementation committee which I formed, similar to the Health Sciences Centre, is functioning effectively. It will examine the sequential tendering packages and approve them. It will achieve savings wherever possible as the project proceeds. It will provide co-ordination of matters between various government departments that are necessary in the completion of the project, and it will co-ordinate the relationships between the Foothills Hospital Board and the Provincial Cancer Hospitals Board. It will review inflation annually and recommend inflation as is being done in the case of the Health Sciences Centre. They have recommended immediately a \$3.1 million saving by shelling in the renal dialysis and psychiatric programs until it is demonstrated that they are needed in Calgary.

The Underwood McLellan engineering report to examine the design and architecture generally

approved the basic design of the Southern Alberta Cancer Centre and specialty services facility but recommended that savings could be achieved by utilizing less expensive interior and finishes. The implementation committee will be following through on that recommendation.

In short, Mr. Chairman, the project is now moving forward. The basement, sub-basement, and drainage systems are nearing completion. The anticipated completion date, barring unforeseen events such as weather or withdrawals of labor, is late 1980 or early 1981.

Cancer-applied research is all funded through the Provincial Cancer Hospitals Board, commencing with the first-year allocation of \$3 million and escalating at 6 per cent per annum. The evaluation of the effectiveness of the cancer research programs will be performed by the University of Alberta and University of Calgary. The educational aspects — what is learned in cancer-applied research — will be funnelled into the medical schools on an educational basis.

Mr. Chairman, I have not said much about the specific cancer research programs that are being funded. I thought I should, because there are some exciting initiatives in the cancer research area of which I could now outline the objectives for the hon. members, with some brief additional time.

The program's objectives include the improved treatment of cancer through ionizing radiation, to assist clinical research in cancer by means of improved radiographic equipment, to study cancer incidence in Alberta on the basis of geographical distribution and determine if there is a relationship between cancer incidence and environmental ideology, to identify risk factors associated with cancer incidence in the Alberta population and to study these factors in relation to the survival experience of cancer patients. This information can then be used in providing effective direction for follow-up screening and educational programs. To add a new dimension to radiation treatment by determining the susceptibility of individual cancer tumor tissue to radiation and by the use of sensitizing agents prior to radiation treatments, to improve the rationale for the treatment of human breast cancer and other hormone-sensitive malignancies, to synthesize a radioisotope . . . [interjections]

Mr. Chairman, the hon. Member for Clover Bar may not feel that initiatives in cancer-applied research are important for Albertans, but we believe they are.

DR. BUCK: I'm just asking what he's talking about. He's just reading some stuff, and he's got no idea what he's talking about.

MR. CHAIRMAN: Order.

MR. MINIELY: Mr. Chairman, I believe these are very important for Albertans. I'm surprised the hon. Member for Clover Bar would feel otherwise.

To synthesize a radioisotope and carry out preliminary animal experiments to determine tissue distribution and safety of the compound which, if safe and effective, may be administered to patients in Alberta. The cancer-applied research program is a five-year commitment, subject of course to annual legislative approval, and this is provided as in other research

cases to attract to these programs in Alberta the top scientists throughout the world that will be necessary.

Mr. Chairman, all the programs I have discussed tonight are funded through the Alberta heritage savings trust fund. We are requesting long-term, four- to five-year operating cost projections on all of them. While they have not been examined and finally approved in the long-term sense, we have received them on pretty well all projects and will be examining and approving them so that we have control of future years' operating costs.

Mr. Chairman, I would simply conclude by saying that I'm sure all hon. members will agree these are exciting initiatives in health care for Albertans and are consistent with contemporary and future needed approaches in health care generally.

Thank you very much.

MR. CLARK: Mr. Chairman, in responding to the comments made by the Minister of Hospitals and Medical Care, I would like to make two or three rather general comments before I deal with specific areas.

First of all, I would like to say that in the course of the capital projects portion of the heritage savings trust fund, it is becoming very obvious that more and more we're using this to fund projects which should legitimately come out of the normal operating budget. When the heritage savings trust fund was established and the capital projects portion was agreed upon in this Assembly, the Premier used terms something akin to "unique projects which the province would not ordinarily otherwise be able to afford". I draw that to the attention of the Minister of Hospitals and Medical Care and to the Provincial Treasurer, because we'll be referring to that several times during the course of the debate on these estimates. Increasingly what we're finding here is that more and more projects — and good projects, fair ball — which should be in the normal operating budget of the province are now finding their way into the heritage savings trust fund capital projects.

After the first year, we suspected this was going to happen. I think that's a serious mistake. It isn't a question of whether the projects should go ahead, but of whether they should be funded out of the normal operating budget of the province. You establish the priorities there. Or in fact do we slide them in under the capital projects portion of the heritage savings trust fund? I have expressed these concerns to the heritage savings trust fund legislative committee, and I want to get them on record once again here this evening.

Now we look at some of the projects that the hon. minister has waxed rather eloquently about this evening. I would like to start with the Southern Alberta Cancer Centre and specialty services facility. It's gratifying to those of us on this side of the House that at least this year the minister knows what's in the project, and that you have changed the name of the project. Last year when we discussed this project, no one in the committee knew that there were going to be auxiliary hospital beds in this particular project, that we were building several facilities for the ongoing health care projects of the province in addition to the Southern Alberta Cancer Centre as it was set out. Clearly this should draw to the attention of all members of the House the kind of use that's being

made of the fund. We can say the Southern Alberta Cancer Centre is a unique venture as far as southern Alberta is concerned. It's a good project — fair ball. But we have had the W.W. Cross cancer centre here in Edmonton for a number of years, and it has provided many of the same services that the Southern Alberta Cancer Centre will be providing in 1981 when the project gets on stream.

I give the minister credit for at least changing the name of the project somewhat this year, so that it more accurately represents what really is going to be taking place in that project. But on a matter of principle I feel it's basically wrong to be funding auxiliary hospital beds out of the capital projects portion of the heritage savings trust fund. That never was the intention of the capital projects portion or any other portion of the fund. That's why, Mr. Chairman, I say to you, that when the two new projects included in the fund for this year are brought to the floor for discussion, it's my intention to vote against them, not on the basis that they're not good and worthy projects but on the basis that this is not the place to be funding those projects from. I want to make that point very clear when we start the discussion of these estimates this evening. Had we not already voted on previous occasions for the Southern Alberta Cancer Centre and the other projects — I don't see how one can do anything other than continue to support those projects while they're in here, despite the fact that we should not be financing facilities that should be a part of the normal operating budget of the province.

Mr. Chairman, the second point I want to make is simply this. Mr. Minister, it's great that you're going to be travelling to Australia and other areas. My colleague to my right talks about swan songs and so on. The fact is that while you're doing that we've still got a freeze on some 88 hospitals across this province. Auxiliary hospitals, nursing homes, and active hospitals across this province, some 88 of them, have been told they have to hold up their plans until the middle of next year. Mr. Minister, to be very direct with you, sir, I think you could spend your time far better in Edmonton dealing with those problems rather than flying off to Australia for an extended period of time. Your own department sent out letters to some 88 hospital boards saying, stop your planning; we can't do anything till the middle of 1979. And here is the minister flying off down under to check about the flying doctor — and other things, fair ball. It isn't the flying doctor we need here. We need some decisions as far as active hospitals, nursing homes, and auxiliary hospitals are concerned. Whether that trip to Australia is made now or a year from now, it isn't going to make a great deal of difference to the health research projects the minister has talked about this evening. But if the minister spent that month at home, I would hope we could get on with making some decisions about those hospitals that have been high-centred for another period of time. Those letters that went out were just another way of putting a freeze on those hospitals until the middle of 1979.

So while we are talking in very glowing terms here about leading the world in heart research — and I really hope we are — I don't plan to stand in my place this evening and say that we are or we're not. The acid test, Mr. Minister, will be some five years from now. You talk in terms of a five-year program, the kinds of advances, the kind of work that's been done

in five years. I genuinely wish you good luck, Mr. Minister, in this particular area, the work that's being done here, and the cancer research work being done. But I would simply caution us and say this: it's my understanding, certainly being no expert in the field and not understanding all the terms the minister used this evening, that we should train our sights on some very specific areas as far as heart and cancer research are concerned, that we should be looking at it from the standpoint of making a substantive contribution in perhaps quite a narrow area as opposed to trying to cover the whole waterfront, if I can use that term.

Mr. Minister, one area I'd be very interested in hearing you comment on is the kind of co-ordination, the kind of keeping on top of what other kind of research is being done, at least across Canada and North America, because it's very, very easy to duplicate the kind of work that's being carried on.

Mr. Chairman, the third and last comment I want to make as far as these particular projects are concerned is to ask the minister if he will give to the Assembly the anticipated operating costs for the southern Alberta children's hospital, the Health Sciences Centre, the Southern Alberta Cancer Centre — those projects primarily. The minister gave those to the heritage savings trust fund committee, and I'd very much appreciate if he would give us those figures this evening. I remake the point we made last year during these estimates, that in our judgment it is important when we're approving these projects that we also look at the anticipated operating costs on a five-year basis. What we're doing here is putting the wheels in motion — albeit they are desirable projects — for very major calls on the operating budget of the province. That's primarily why these matters should be in the operating budget of the province as opposed to the capital projects portion of the heritage savings trust fund.

MR. CHAIRMAN: Mr. Minister, do you wish to reply, or are you prepared for the question?

MR. MINIELY: Mr. Chairman, perhaps I could respond to the last point first. When I was asked for the long-term operating cost projections in the heritage fund committee, I indicated that I was prepared to provide them but that at this stage I would put the caveat on that they're of very limited value to members of the Assembly because they have not been examined, they are not approved and, in the final analysis, the actual budgets that may be provided to these facilities in year two, three, four, or five may be substantially different from what is currently provided for in the long-term projections. So I would provide them. I have them in the book here, but I don't have copies for all hon. members. I believe we gave copies to the Leader of the Opposition, but I will undertake to do that for any members who wish these, with the caveat that they are not approved and examined by the department and that at this stage they are 'guessimates' of the long-term operating costs.

After I've responded to the other questions, I'm going to ask my colleague the Provincial Treasurer to respond to the Alberta heritage savings trust fund. He may wish to do so on the appropriation act rather than at this particular time.

The Southern Alberta Cancer Centre and specialty

services facility: certainly we felt that would provide a more accurate description. The hon. Leader of the Opposition is free to vote any way he wishes. I've answered in the past that it's anticipated the auxiliary beds will be used for cancer patients, because cancer patients require chronic care and auxiliary hospitals are exactly that — chronic care. While 45 beds are reserved specifically in the project, it's anticipated that many of the other auxiliary hospital beds will be used for cancer patients, because there's been a move as well by the Provincial Cancer Hospitals Board to request support for hostel accommodation for cancer patients following intensive treatment.

On the comment the hon. Leader of the Opposition made on a freeze, Mr. Chairman, how can anyone in this Legislature, with any sense of credibility at all, talk about or use the term "freeze" when we have \$750 million committed in hospital construction in Alberta? Do you know that that is more than the rest of Canada? We have more going on in hospital construction than the rest of the country. How that can be interpreted as a freeze is beyond my imagination.

The reality is that even if it were responsible to spend more in the next two or three years, we simply would not have the bodies — and we're trying to keep the numbers of civil servants down — to manage that kind of program effectively on behalf of Albertans. So it's not just a matter of dollars; it's also a matter of managing the expenditure of those funds wisely on an annual basis. Mr. Chairman, I think that's all I could say on that. I just don't see any credibility to it at all.

In the area of applied heart research, the hon. Leader of the Opposition, if I interpreted his remarks correctly, said he is supporting the efforts we're making in heart disease and cancer-applied research. I'm glad, because I feel these are exciting initiatives for heart patients and cancer patients in Alberta. I do not agree, though, that to use the hon. leader's term, we should be narrow in either area. I've said in the House before that it's been important that we resist the fragmented request and lobby pressure from fragmented areas in heart research and cancer research in order that we can support programs on a total basis, because they are interrelated. Again, none of these programs stand in isolation, one from the other.

I'm sure the hon. Leader of the Opposition was having a little fun with my intent to learn something from Australia and New Zealand. I think the ambulance service — it's not just in the cardiac care area, it's not just in hospital construction . . . We will have announced our decisions on policy prior to my intent to depart. I believe we can learn a lot from Australia and New Zealand that can apply to what we're trying to do in Alberta. In that sense, he then went on to say that he thought we should keep on top of what was going on in Canada and North America. And he nearly slipped out that perhaps we should keep on top of what's going on in the world in the area of health care. Certainly we should. We have things to learn from all over the world that might be relevant to effective health care in Alberta.

Mr. Chairman, those are the questions the hon. Leader of the Opposition raised. My colleague may wish to respond to the general question on the use of the heritage savings trust fund either now or during discussion of the appropriation act.

MR. LEITCH: Thank you, Mr. Chairman. I listened to the general comments of the hon. Leader of the Opposition on the capital projects division of the Alberta heritage savings trust fund. I have some responses to those comments, because I differ very sharply with the views he expressed. Mr. Chairman, I think it would be more appropriate that they be made when the Assembly is sitting rather than when we're in committee. We will have an opportunity to do that on second reading of the appropriation act.

MR. CLARK: Mr. Chairman, I look forward to the Treasurer's comments, because I'll have some more extensive comments in this area on that particular occasion too.

But going back to the comments made by the provincial Minister of Hospitals and Medical Care: Mr. Minister, you didn't answer the question on what kind of co-ordination was taking place. Where and how is Alberta fitting into the cancer and heart research going on across North America?

MR. MINIELY: Mr. Chairman, as the minister I had an opportunity — as the material tabled in the Legislature — in the case of heart disease, to research initiatives throughout the world, to meet with the World Health Organization as well as the medical profession in Alberta; in the case of cancer, also to examine a cancer research institute in Germany. I can tell you that co-ordination is going on in discussions with the previous executive director of the Provincial Cancer Hospitals Board, Dr. Walter Mackenzie, and of course the chairman of the board, Dr. Baker, as well as the current executive director, Dr. Lloyd Grisdale; that the Provincial Cancer Hospitals Board as well as the department and I are keeping on top of all the initiatives in cancer research and treatment going on throughout the world, as is the case in heart disease — the department and I and the various institutions delivering comprehensive cardiac care. But in the case of heart disease it has historically been more fragmented, because of a lack of central monitoring.

One of the very important things in the announcement I made tonight was that for the first time we're going to have a provincial co-ordination of programs in heart disease where information on a province-wide basis will funnel into the University of Alberta. That will really strengthen our capacity to co-ordinate things in Alberta, to funnel them into the educational system, but that will also be the unit which will co-ordinate research in what's going on in heart disease in the rest of the world, whether it's the international society of cardiology, the World Health Organization, or other key medical associations in other countries in the world. So basically that's the way it will be accomplished in both areas.

MR. CLARK: Mr. Chairman, to the Minister. Those are very nice, lofty, glowing terms about the department and the minister, the cancer board, and so on. But what I'm very interested in is: where does the responsibility rest? Is it with Dr. Bradley and his job, working out of the Premier's office, that this co-ordination is going to take place? Is that the person we look to to tell us what's going on in the southern United States or someplace else? Or is the minister going to have that kind of information? Because, Mr. Minister, with great respect to you or any other minis-

ter, no minister is going to be able to keep on top of that kind of thing on an ongoing basis. What I want to know is: what person or agency do we finger? Is it the cancer board? Is it someone at the university? Is it Dr. Bradley? Who's got the responsibility on an ongoing basis?

MR. MINIELY: Well, Mr. Chairman, by the positions I've taken in this Legislature, I would answer that by saying that in the case of Hospitals and Medical Care and the health care programs Hospitals and Medical Care is responsible for, whereas we might achieve information or have it funnel in from a body like the Provincial Cancer Hospitals Board, clearly in the new department Mr. Chatfield and Dr. MacLeod are setting up a research library that monitors and keeps on top of all the initiatives going on not just throughout North America but throughout the world.

It is our responsibility in the department to have the most up-to-date knowledge possible. Now certainly some of that will funnel in from a variety of areas, including some existing medical professional bodies like the Alberta Medical Association and the Provincial Cancer Hospitals Board. But I consider it our responsibility to be on top of those initiatives in a departmental sense.

MR. CLARK: Mr. Chairman, to the minister. Then where does Dr. Bradley fit into all this? Attached to the Premier's office, if in fact it's the department's responsibility — Dr. Chatfield and the other deputy ministers — where does Dr. Bradley fit into all this?

MR. MINIELY: Mr. Chairman, the Premier has stated that Dr. Bradley's responsibility is to develop a plan for pure medical research, and it should be distinguished from applied research. A layman's definition might be that pure research is the kind of thing that medical scientists are doing more in terms of test tube research that is not applied in patient care areas, whereas applied research is applied in patient care areas but requires further evaluation, development, and monitoring before further expansion. So Dr. Bradley is to develop and recommend a program for pure medical research to the Premier and the Executive Council.

MR. CLARK: Where, Mr. Minister, do we find the funds for that?

MR. MINIELY: Mr. Chairman, I believe Dr. Bradley's contract is still paid through the Department of Hospitals and Medical Care, but he's accountable to the Premier and to the cabinet committee composed of Dr. Hohol, who is the prime minister responsible, Miss Hunley, and of course me.

MR. CLARK: Mr. Minister, what kind of budget are we looking at as far as this pure medical research is concerned? Have any grants been made yet?

MR. MINIELY: No, Mr. Chairman. I indicated in the heritage fund that questions of the Leader of the Opposition on pure medical research are premature until such time as the Premier, or someone on behalf of the government, makes an announcement. I can't give a time frame.

MR. CLARK: Mr. Chairman, I wonder if I might just pursue one other area right now. Could the minister give us some sort of breakdown of what portion of the Southern Alberta Cancer Centre and specialty services facility is directly related to the cancer work at the Southern Alberta Cancer Centre? Initially it was 100 per cent; now it's somewhat less. What percentage of the capital figure of some \$64 million is directly related to the cancer component of that project?

MR. MINIELY: Mr. Chairman, I have an extensive amount of documents here. I can put my finger on it fairly quickly, I think, but I'll need a half minute. Perhaps we could go on to some other questions. I'm having difficulty locating the particular sheet that breaks it down.

Agreed to:

Hospitals and Medical Care

1 — Southern Alberta Children's Hospital	\$12,000,000
2 — Alberta Health Sciences Centre	\$45,000,000
4 — Cancer and Heart Disease Research	\$16,397,000
4.1 — Cancer Research	\$4,547,000
4.2 — Heart Disease Research	\$11,850,000

MR. CHAIRMAN: Have you found your information yet, Mr. Minister?

MR. MINIELY: Mr. Chairman, no, I haven't. I imagine the note's coming down shortly from the officials to tell me what sheet it is. Why don't you go on to the next one and we'll come back to it?

MR. CHAIRMAN: The next one is Irrigation Rehabilitation and Expansion. Perhaps we could complete this one and carry on.

MR. CLARK: Mr. Chairman, to facilitate the committee we'd be quite agreeable to move on to Irrigation Rehabilitation and Expansion and then come back to this one. It may well be there'll be some additional questions after we get this information — if that's agreeable to the committee.

MR. CHAIRMAN: Is that agreeable to the committee?

HON. MEMBERS: Agreed.

Irrigation Rehabilitation and Expansion

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

MR. MOORE: Mr. Chairman, just a matter of two or three weeks ago I appeared before the heritage savings trust fund select committee, of which a number of members were present, and provided a fairly extensive report with respect to the operations of the heritage savings trust fund insofar as rehabilitation and expansion in irrigation districts is concerned. I wouldn't want to go over all of that again, but only to make a few additional comments. Then if there are some questions from members, I'd be prepared to answer them.

Probably the important thing to discuss here is the number of dollars being provided in the vote for the

coming fiscal year and what's being done with it. I could say in that regard that basically the funding in the current fiscal year is identical in its nature, in the way it's provided and what's being done, to the previous fiscal year that we discussed before your committee, Mr. Chairman. In other words, we are providing the funding to the irrigation districts based on a formula that's been in place for the last three years, based on acreage and water rates and so on. In addition to that, some \$500,000 of the \$9 million is set aside for projects that are carried out largely by the department at the request of the irrigation districts and the Irrigation Council.

Once again in 1979-80 the projects carried out by the department will in large part be an aerial photomapping project that should be complete in that year. That will assist all irrigation districts in being better able to plan their work.

The only other thing I would like to add, Mr. Chairman, is that the members have asked from time to time about whether or not this funding is going to continue at the level of \$9 million a year, for year after year after year. The answer to that, quite frankly, is that I had the Irrigation Council discuss that matter with all the irrigation districts again this year, and they felt they were able to utilize the \$9 million without any problems in '79 and '80, but likely not any more. But it's probable, without making any commitment there, that in 1980-81 we would move up slightly from the \$9 million to catch up on some of the funds that weren't allocated in the first year and perhaps provide \$11 million or \$12 million for two or three years. But that's dependent entirely upon the wishes of the irrigation districts, their planning and the funds they are able to raise to share the costs of the program.

Mr. Chairman, I want to say in conclusion that in my view the irrigation districts have done an extremely good and responsible job of utilizing these funds to the best advantage, in terms of scheduling engineering work and construction so that we're not in a situation where we don't have sufficient construction personnel to go around. They've handled the expansion and rehabilitation in such a manner as to not create excessive costs because of a shortage of contractors, and we can often get into that kind of problem. So I'm pleased that we made a decision to provide these funds largely through the irrigation districts on a grant basis with, of course, adequate controls on how they're spent and what they are doing with the funds.

MR. CLARK: Mr. Minister, did the irrigation projects ask for these amounts? In fact are the appropriations we're dealing with tonight — in all likelihood approving tonight — the amounts the irrigation people themselves asked for? In fact could they move along more rapidly as far as rehabilitation is concerned if more funds were available, or is it a question of equipment and engineering? What is the status there?

MR. MOORE: Mr. Chairman, the procedure I take is to ask not the projects association but the Irrigation Council, which I've been utilizing as a vehicle for the week to week liaison with the districts, to consult with the districts as to whether or not that amount of funding would be sufficient in the '79-80 project year.

Of course that was done two or three months ago, and the information I received from the Irrigation Council — as a matter of fact I said to the council that we could increase it, and the information I got back after their having discussed it with the districts and so on was that it would appear that the \$9 million was sufficient for 1979-80. But as costs of construction rise, they said to me, you can expect that in the following fiscal year we may want to increase it above the \$9 million. As far as I'm aware, although I didn't talk directly to them, the irrigation districts are happy with that amount of funding, and I've had no communication that would indicate otherwise.

The other thing that does occur, Mr. Chairman, is that there has been some carry-over of funds here. It doesn't appear in the vote, because we provide the grant to the irrigation district in a cash payment. But often they don't complete every project they said they would undertake in that fiscal year, and we allow them to carry funds over into the next year. So it's a situation where they may be spending a little more than \$9 million in 1979-80; I don't know. It will depend on the results of the efforts they've made this year to get construction complete. They were a little behind in their progress, I think partly because of the unseasonable weather that occurred at periods throughout the year. We'll know better on that score toward the end of December. But I'm confident it's all they require in the fiscal year concerned.

MR. MANDEVILLE: Mr. Chairman, a question to the minister. I see "... to extend irrigation services to new areas". Does the department have any specific projects in mind for expansion as far as new areas in irrigation districts are concerned, new districts?

MR. MOORE: Mr. Chairman, no, not new districts. I think that phrase is meant to imply the expansion of irrigation into new areas that are located either within or adjacent to existing districts, with the exception of limited amounts of irrigation that may occur in other parts of the province, largely in our river valleys and connected with market garden operations in terms of their total acreage scale. The costs are extremely limited compared to what we're talking about in southern Alberta. So no, at the present time at least. That's not precluded of course over the 10-year period, but at the present time there is no indication we would be developing any new irrigation districts.

MR. MANDEVILLE: A supplementary question, Mr. Chairman, in regard to the 86:14 cost-sharing formula. I understand the irrigation caucus met with the projects association. Is there any intent to change the formula we've been using for the last several years for distributing the funds?

MR. MOORE: Yes, there is, Mr. Chairman, and the attempt is largely being made by me. Really the situation is this: in assessing the whole matter I felt it's necessary to try to place the irrigation districts on some sounder basis in terms of their own ability to rehabilitate and keep their systems in good working order, in the event that this program expires after 10 years. Like anybody who has lived in the south knows, as with many other projects we put them in place over the years but don't provide adequately for

the financial upkeep of them. So I asked the Irrigation Council to undertake a review of what could reasonably be expected in terms of the cost-sharing that would be provided by the districts, and bear in mind that is reflected back into water rates charged by the district to each individual farmer.

The result of the Irrigation Council's very extensive review of the increased water rates, which I believe I provided to all members of the heritage savings trust fund committee, was that the cost sharing should move from 86:14 to 80:20 over a period of four years, moving one percentage point each year. That recommendation was forwarded to me by the Irrigation Council, and I'm now undertaking to have discussions on that recommendation within our cabinet. I have not yet resolved that matter, and I frankly don't know how soon I will, if I will. But one way or the other, early in 1979 if not before, we're going to finalize the cost sharing for the 10-year program.

Now bear in mind that when we initially started this program I visited every irrigation district, in April 1975. At that time we had not made a decision as to cost sharing, and I said that question was open. I had representations all the way from the government paying 100 per cent of all cost to the farmers paying 50 per cent of it. However, over the next couple of months we had to begin the program, so we started on the 86:14 formula. There's never been any commitment by this government to stay at that formula except on a year by year basis. But I would like to resolve it very soon so everyone has an opportunity for better planning over the roughly seven years remaining in the program.

Agreed to:

Agriculture

1 — Irrigation Rehabilitation and Expansion \$9,000,000

Environment

2 — Irrigation Headworks Improvement \$5,500,000

Renewable Resources Improvement

Energy and Natural Resources

1 — Alberta Reforestation Nursery

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

MR. GETTY: Well, Mr. Chairman, I imagine we will get to another matter on the next page, and I'd deal with it then. But this matter is the Alberta reforestation nursery. The \$590,000 is to complete construction on the Pine Ridge nursery which, as members know, will provide 20 million seedlings a year for taking care of cut-over forested lands so we can have full reforestation of those lands we're cutting annually.

DR. BUCK: Mr. Chairman, this is not directly related, but does relate to the raising of trees. Can the minister or the Minister of Agriculture indicate whether the Pine Ridge nursery will be used just for reforestation? Will farmers be getting their trees from the Oliver nursery? Is there another nursery in the province?

MR. MOORE: Well, Mr. Chairman, the situation is this. For a number of years the Oliver nursery has been producing seedlings for the forest industry on contract to the Department of Energy and Natural Resources, working for a number of the major forest industries in Alberta. Because of that work, we have had to defer some of the expansion we wanted to undertake with respect to providing trees for the agricultural industry, for farm belt shelters and so on. Now with this new nursery opening up, we will be able to expand that program to a greater extent than was possible before and provide most of the trees for the farm shelter belt program from Oliver.

In addition to that, this past spring for the first time we were able to enter into contracts with private nurseries in this province for the production of farm shelter belt trees in certain parts of the province where it seemed more reasonable to contract that production than to make the shipments from Oliver to wherever. In fact the major contracts are in the Peace River country and in the Grande Prairie area, where shipment of trees there didn't appear to be accomplishing our objectives and we could contract and allow the private sector to have some opportunity in that area.

DR. BUCK: Mr. Chairman, to the minister. Is there a nursery in the south doing equivalent to the one in the Peace River country?

MR. MOORE: I don't believe we've let any contracts in southern Alberta, but rather than any expansion of the physical facilities, the land base, and so on at Oliver, my objective is to contract any expansion of our tree needs for the farm shelter belt program to private nurseries located throughout the province.

MR. CLARK: Mr. Chairman, to the minister. Mr. Minister, I've had people indicate to me that the cost of this project soared greatly. I haven't had a chance to look at the project; I had hoped to before we looked at it in the House. My question to you, Mr. Minister: if your department were doing this project again, are there any things you would have done differently in retrospect?

MR. GETTY: No, Mr. Chairman, I don't believe so. I know the costs soared, as costs have soared on many items over the past three or four years. I think our original cost estimate was something in the order of \$8 million, and the total cost of the nursery is some \$12 million. So it has increased, but it has been the general inflation rather than any changes in the actual nursery or the intended operation of the nursery.

Some additional costs are caused by the location, but I think it's part of decentralization. In any event, a nursery shouldn't be on the edge of one of the major metropolitan centres. Now that we have our nursery at Pine Ridge, before expanding in a dramatic way in the future we may have an occasion to contract out a similar operation to the private sector, see how they compete with one another, and learn a valuable lesson that way.

DR. BUCK: Just in case I missed something, the trees that will be produced in the nursery at Pine Ridge will be sold to companies doing reforestation programs, right?

Now will there be some way that we will recapture the initial cost of the nursery, or will it never be a money-making process?

MR. GETTY: Mr. Chairman, individuals in the forest industry have their option: either they can grow their own seedlings and take care of their reforestation or, for a charge, they can obtain the seedlings from the provincial government. However, the charge is sufficient to carry out the reforestation but does not reduce the cost on a capital basis. If you're asking me, is there a payout directly as a result of the charge we make for the seedlings, no. I think there is an obvious payout for an investment like this in the long run, but not on this capital.

Agreed to:

1 — Alberta Reforestation Nursery	\$590,000
2 — Grazing Reserves Development	\$5,424,000

MR. CHAIRMAN: Does the hon. Minister of Hospitals and Medical Care have that information yet?

MR. MINIELY: Mr. Chairman, we are getting the document. I anticipate that it will be here very shortly.

MR. CHAIRMAN: Fine, we'll carry on then.

3 — Maintaining Our Forests

MR. GETTY: Mr. Chairman, this is the one I referred to earlier. In the reforestation nursery, as I mentioned, we have provided the seedlings so that all lands currently being cut will be reforested. But in the province we lose roughly 23,000 acres a year mainly to three sources: forest fires, about 11,000 acres a year; industrial development, about 9,000; and recreational area expansion and reallocation from forests to other uses. Now the purpose of this project, maintaining our forests, is to regenerate approximately 20,000 acres of forest annually, in addition to the reforestation of cutover acreage. In other words, we will attempt to make up for the natural losses occurring in addition to the losses we are suffering as a result of the development in our province.

Just to give the members a feel for the significance of the 23,000 acres lost each year, that is a productivity loss of approximately 49 million cubic feet per year. That is a real reduction. Mr. Chairman, most provinces are really not even able to keep up with their reforestation. We have a chance to use our non-renewable resource dollars not only to keep up with our reforestation, but actually to maintain our forests by replacing those acres we lose as a result of forest fires, industrial development, and so on.

It shows \$1 million here for maintaining our forests, Mr. Chairman, but it's actually a \$25 million program over seven years. It has to be phased in the first year as \$1 million, which will be used to survey the locations where we will do our new reforestation, and will also allow us to expand the fields at Pine Ridge so that we will have the additional seedlings.

After we get this program more fully phased in, Mr. Chairman, we're also going to carry out some reforestation research in two particular areas. One would be on methods of draining and planting muskeg

areas, and the second would be on genetic improvement work to establish what would be superior trees. So the program would phase in from \$1 million this year to, we estimate, about \$3 million next year, and then the third would be a full year, some \$4.2 million.

After we have been in this program for five years, Mr. Chairman, here are the objectives I have set that we would try to reach: we would have developed techniques enabling drainage and forestation of muskeg areas, and there are 28 million such acres in the province; I hope we will have established genetically superior spruce and pine trees and created 110,000 acres of new forests.

Mr. Chairman, it's a second chance for us to do what we probably couldn't have done otherwise; that is to, take the surpluses from our non-renewable resource and convert it to a renewable resource. No province in our country is able to do that.

DR. BUCK: Mr. Chairman, I'm no expert on growing trees in swamp. [interjections] But I do want to say that over many years of evolution nature has decided that one type of tree grows in an area that's not swamp, and another type of tree grows in a swamp area. I wish the minister and the department well, when they're going to start converting swamp spruce into upland spruce. God knows how many years it took Him to get swamp spruce to grow in swamp and upland spruce to grow in upland. So I wish the minister well. I think this is absolutely nothing but utter nonsense, Mr. Minister.

I believe the Leader of the Opposition will be giving the minister a few words of wisdom on what we're really trying to do here on a matter that really should not be out of the heritage trust fund. It should be out of lands and renewable resources. I would just like to say this to the minister: let's not get carried away with these grandiose plans that some of our so-called experts have. I think it's nothing more than a dream.

MR. SHABEN: Mr. Chairman, I'd like to make a couple of comments on this very, very exciting project that the Minister of Energy and Natural Resources has presented to the members of the Assembly. As I said, I think it's exciting and just tremendous. The long-range benefits to Albertans really can't be estimated at this time. I'm sure all members noticed in the report of the heritage fund select committee that a recommendation was approved by the members for this type of project. I think it represents a fairly strong vote of support for this type of project. The meaning to the people of Alberta in terms of the potential for the forest industry in the long-range future, and in the short term the potential for jobs in this project over the next seven years, is very, very important, particularly in the green areas and particularly to the native and Indian people of northern Alberta.

Mr. Chairman, I'd like to congratulate the minister and the government for embarking on this imaginative program that is needed. We're really fortunate that we're in a financial position to move with it.

MR. TAYLOR: Mr. Chairman, I want to say a few words on this particular item. If I hadn't wanted to, I would have after the hon. Member for Clover Bar spoke. He reminded me of the story of the minister who came to the farmer's home and congratulated

the farmer on such wonderful flowers and trees. The beauty was just exotic. The minister said to the farmer, it's wonderful what God can do. The farmer says, yes, but you should've seen the mess this was in when God had it all Himself.

Mr. Chairman, if we followed the advice of the hon. Member for Clover Bar, much of Israel would still be barren land instead of the highly productive land it is today. Many other parts of the world — if you simply say you can't change anything that happens to be the way it is now, it would be a ridiculous position. I think there's tremendous sound reasoning behind the research program of trying to drain muskeg areas. This isn't an impossibility. This isn't undoing anything God did. God gave us brains to use to do this type of thing. If we can increase our production, why not do it through the ingenuity of man, along with the sunshine from God?

But I didn't intend to speak on that particular topic. I think, as the hon. member who just spoke said, this is an exciting adventure. This program of maintaining our forests is a splendid thing, and I'd like to commend the minister and his staff for working out such a very, very excellent program.

The main reason I want to speak on this is to ask the minister if he could consider another type of forest. Maybe the hon. Member for Clover Bar will think this is nonsense too, but I don't happen to think so. When I was in eastern Canada and saw the maple trees, I couldn't see any difference in the climate in some parts of the east, where the maple tree is flourishing, compared to Alberta. The thought occurred to me that here we have a beautiful tree that would not only add color in the autumn but would provide another industry, maple sugar. People will only say, well, that's nonsense; you can't grow maple trees in Alberta. Well I don't agree with that at all. I know a chap who has a maple tree in his back yard in Hussar, and it's doing splendidly. It required a little attention.

With the Alberta heritage trust fund there's an opportunity of bringing the maple tree to Alberta on a big scale. We're part of Canada too. The maple leaf isn't only for eastern Canada. We have as much right to it as they have. I think the fact that we have never had sufficient money or programs to really put on a forest program that would give the maple tree a chance to flourish in this part of the country is probably the main reason we don't have very many maple trees in Alberta.

I would like to see the research carried a little further, Mr. Minister, and a really sincere effort made to bring in seedlings of the maple tree for various parts of this province and give it a chance to show whether it will grow. Let's not just take somebody's word that it won't grow in western Canada, because I think we should at least give it the chance. I'm not an expert in forestry, but as far as a layman could see the climate wasn't very much different in parts of eastern Canada, where the maple tree provides work, employment, and maple syrup in abundance. Here's a possibility for another renewable resource to take place in Alberta.

Mr. Chairman, at this time I simply want to suggest this to the hon. minister in the hope that it will be pursued, to see if something can be done to bring the maple tree to Alberta.

DR. BUCK: Mr. Chairman, for the enlightenment of the hon. Member for Drumheller: if he'd like to come out, I have 500 azure maple seedlings growing in my back yard. They come from North Dakota, and they do grow here. You don't have to have any research; it won't even cost a million dollars. They do grow here.

MR. TAYLOR: The hon. member now recognizes that man can do something with the help of God.

DR. BUCK: I'll wait for the muskeg spruce trees, though.

MR. BUTLER: Mr. Chairman, I'm really not an expert, but I've spent a lot of time in the forest. I've operated sawmills and was a forest ranger for 10 years. I've seen some reforestation, and I think that's one of the greatest places this heritage trust fund can be spent. I think it's properly spent there, because I'm sure that for the oncoming generations that money spent in reforestation and research with regard to reforestation and draining these swamps and making them productive will draw more interest than it will in anything else I can think of.

Thank you.

MR. GETTY: Mr. Chairman, I was just going to thank the hon. Member for Drumheller for his suggestion. I've heard that you can't grow maple trees, although my hon. friend the dentist is perhaps proving the opposite. I've heard you can't grow the true Ontario maple in Alberta, but I have never had that proven to me. I haven't tried to. But I think it's worth while to speak to the experts in the Department of Energy and Natural Resources and see whether it is possible. If we can, we certainly will try.

I think it was probably my inability to communicate with the hon. Member for Clover Bar that leaves him unenthusiastic for this project, because I just otherwise can't understand why he wouldn't be. It is true, as the Member for Lesser Slave Lake mentioned, that there is a recommendation of the select standing committee. We didn't have this recommendation when we were developing this program, but I was certainly happy to see it when the report came out. It says, under the capital projects division, that there be an "establishment of a ten-year reforestation, conservation and reclamation project", and I assume all members voted on this. I was pleased that in this case we were responding, albeit receiving the recommendation afterwards, and that we were at least thinking in the same direction.

I may have misled the hon. Member for Clover Bar by the emphasis on the research for attempting to drain and reforest a portion of the muskeg land of the province. The majority of the reforestation will take place not on muskeg land, but on potentially productive land not now forested. Just a small portion of this program will be on draining and attempting to learn how to use the muskeg land. The potentially productive land is some 12.6 million acres. The non-productive, mainly muskeg acreage is some 28 million acres. If we can even convert some of that to productive land, I think we would find we'd be doing a favor for future Albertans.

So, Mr. Chairman, I think it's something that Alberta, in our current natural resource surplus position, is

fortunate to be able to do that will bring very large benefits for the people in the future.

MR. CLARK: Mr. Chairman, the initial comments the minister made with regard to this project concern me very much. The minister I think talked in terms of losing some 23,000 to 24,000 acres of tree cover per year. He indicated some 110,000 acres had not been adequately reforested over the past.

Mr. Minister, as long as I can remember being a member of this House — and that's sometimes longer than I'd like to admit — we've had in the Alberta Forest Service a program of sustaining yield; that is, that the forest service in the province was in fact charged with the responsibility of seeing that those parts of the province which were desecrated by fire or by disease and so on were replaced by seedlings or whatever means of scarification that had to be used. I remember so very distinctly being out at Hinton a number of years ago at the forestry training school where they've done some of the kind of work the minister referred to. At that time North Western Pulp & Power Ltd. was experimenting with various forms of scarification in co-operation with the Alberta Forest Service to see what kinds of regeneration procedures worked best. I recall very well the gentleman who was the former director of forestry, Mr. Steele, waxing most eloquently about the concept of sustained yield in the forests of this province.

In very simple terms the basis of that was that as long as Alberta continued on that kind of program we would have virtually the same acreage in forestry in this province for as far into the future as one could see, as long as we were tied to this concept of sustaining yield. That was one of the very major responsibilities of the Alberta Forest Service. Now I see this program talking in terms of maintaining our forests — a very clear indication that in fact we haven't done that. If it was anything other than maintaining our forests, I'm sure the government would have phrased it in some other way.

One of my colleagues in the Legislative Assembly leaned over a few minutes ago and said to me, it's all a matter of how you package it. But I think it's far more important than that. It's basically a matter of, are we in this province committed to the concept of sustaining yield in our forests in Alberta? As far as I know we have been for at least 17 years. If that's the case, Mr. Minister, then from what you tell us tonight we haven't been doing a very good job, whether it's in the last seven years or prior to that. Whichever time it was, we haven't been doing a very good job.

But doggone it, that's the legitimate responsibility of the ongoing budget of this province; that's why we appropriate several million dollars a year to the Alberta Forest Service. This kind of money should be over in their budget as a part of the ongoing kind of thing that has to be done in forestry.

Mr. Minister, as nicely as you shake your head, the people in forestry have been the catalysts for a variety of research that has been done in that department for years. They haven't been doing it themselves, but between the university, the forestry people over at the University of Alberta. Don't give us the impression that we're starting research into new strains of swamp spruce or other kinds of spruce just today. Basically this kind of thing has been going on for years.

I have no objection to the program. In fact if we've fallen behind as you say we have, Mr. Minister, then that is a sad commentary on you, sir, and your ministry, and your predecessors in both parties — if we've got into that kind of situation. But the place where we should be doing that kind of thing is in the normal operating budget of the province. If we have to increase that normal operating budget by \$3 million a year for the next five years, let's go ahead and do it. We've got \$2.5 billion of surplus to do it. But either we're committed to this concept of sustaining yield for forest management in this province or we're not. Now I've thought for 17 years we were committed to that. [interjections] Well, just listen and we can continue the discussion. But the place to do this is not the heritage savings trust fund capital projects. The place to do this is the normal operating budget of the province. This kind of thing should be done whether we have a heritage fund or not. I'm one of those who thought up until tonight, and from talking to your own forestry people as recently as two weeks ago, that that concept was still in place in forestry in this province.

MR. GETTY: Mr. Chairman, prior to 1966, for whatever reason, if you operated in the forest industry in this province you did not have to reforest. So there was and is a tremendous backlog of unreforested land. Now the sustained yield that the hon. gentleman is talking of — it is true that from 1966 on there was a policy of sustaining yield; in other words, of replacing forests that are cut over. That which industry cuts each year must be reforested.

That policy was initiated in 1966. However, as I said, prior to then there were tremendous cuts that were not, and they have to be gradually brought into a forested condition. In addition there are forest fires, and industry is not responsible for that. As a matter of fact, the hon. member may recall that 1968 was a tremendous forest fire year. Over 1 million acres were lost that year in the Athabasca and Slave Lake areas. That is not part of the sustained yield that the ongoing budget from the general revenue fund has been carrying. It has been carrying some portion of picking up those back years and handling the reforestation that industry is cutting each year. But, Mr. Chairman, there is this unproductive area I have mentioned, and there is the annual loss I have mentioned, and that is what we are able to do.

Now I know from meeting with other forestry ministers that no other province in Canada is completely reforesting its cut. Alberta has been doing that since 1966. But in addition, we are going to be able to do not only that but to go on and maintain a forest that has been lost. That is something we can do.

I think it's a perfect place to take these non-renewable dollars and invest them in the future. If I understand the capital projects division, it is those things that are an investment in the future that do not see an immediate return. It's no different, I guess, from irrigation or anything else. It seems to me a natural, and I don't understand the concern of the hon. Leader of the Opposition. You are making an investment that doesn't bring an immediate return but is for the future of Albertans. I think it stands on its own merits.

MR. CLARK: Mr. Chairman, in response to the minister. Mr. Minister, if we were to take your eloquent plea, we would assume that there hasn't been any reforestation or regrowth or replacement of burned-over areas in this province for years and years and years. Now that simply isn't so. The forest service in the province have been involved, and they've made use — well, they have summer programs, but they have also made use of the guests of the Solicitor General to be involved in those kinds of projects. Now perhaps they haven't been able to replace trees in every place where there have been fires, but to a very great degree, by means of natural regeneration and as a result of some of the work done by forestry itself, those burned areas have been regenerated.

The minister says, very small. That certainly doesn't square with what I have been told by forestry people or with some of the things I have had the opportunity to see. Yes, Mr. Minister, we are supposedly in the fortunate position, at least in theory, of being able to replace every tree cut since '66, and that's the way it should be. But I simply can't accept the argument that this kind of thing shouldn't be done as a part of the normal budget of the province. We've got a \$2.5 billion surplus, a \$700 million surplus this year. This is the place to do this kind of thing from, as opposed to the heritage savings trust fund, because it's important that people see this as an ongoing part of Alberta, not as a special project which comes along. If we've fallen somewhat behind over a number of years, let's put in some additional money. We can take that money out of the surplus for the operating budget of the province and do it there, as opposed to taking it out of here.

MR. TAYLOR: Mr. Chairman, I'd like to say a word or two about this. I've heard former ministers of lands and forests complain bitterly because there wasn't money in the budget to do this type of program. If we didn't have the Alberta heritage trust fund now and were doing this out of the ordinary budget, and if things get a little tougher in the next two or three years, the things that are chopped are the things that can't be seen. One of those is reforestation. That's the way it was for many years in this province. There wasn't money to do everything, so money wasn't provided. Surely the hon. member heard the discussion in cabinet and on the floor of this Legislature many times, why they couldn't start a program to reforest the province.

I remember many, many meetings around '65 and '66 when the program was started, contracts were let, and forest leases were given out on the understanding that when those trees were cut they'd be reseeded. That was fine. But I certainly know that for many years before that there was only a very feeble attempt, not even a drop in the bucket, to try to restore our forests, mostly because there just wasn't money to do it, not because the ministers in the department didn't want to. There wasn't money to do it. When you put this type of thing in the ordinary budget and things get a little tough — it's all right to talk the way the hon. Member for Olds-Didsbury is talking now when you happen to have a surplus. But we may not have a surplus every year. We don't know what's going to happen in the next few years. We didn't have a surplus 10 years ago. Now we have a surplus, and this is a logical and sensible thing on

which to spend money that's coming from a resource that's gradually being depleted, to renew a resource that will be there when the next generation needs it.

I think this is an excellent program, and I think it's in the proper place.

Agreed to:

3 — Maintaining our Forests \$1,000,000

MR. CHAIRMAN: We'll turn back to the section on Health Care Facilities and Applied Health Research.

Hospitals and Medical Care

3 — Southern Alberta Cancer Centre and Specialty Services Facility

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

MR. MINIELY: Mr. Chairman, I believe the hon. Leader of the Opposition was asking for a breakdown between components which we had provided the heritage fund committee during examination by that committee of the Southern Alberta Cancer Centre and specialty services facility. That's accurate, the components of that facility. In other words we had an arbitrary breakdown, and I have that now. But I want to emphasize that it is very arbitrary. The figures are not firm, because it's basically a total concept. Even the architects and engineers indicate to us that they can't, with any real accuracy, break down the cost by various components. However, if the hon. Leader of the Opposition wishes, I can give the arbitrary breakdown by components.

Basically the Calgary cancer centre is approximately \$9.35 million; the provincial laboratory is \$2.72 million; the extended care auxiliary beds, 188 beds estimated at \$8 million; intermediate care beds, priority for cancer, \$1.9 million; hostel beds, primarily for cancer, \$1.8 million; the areas that are shelled-in, to shelled in state only for renal dialysis, \$840,000, and for psychiatry, \$3.21 million; for radiology and nuclear medicine, which is related primarily to cancer, \$3.45 million; for joint use and shared areas, support services to the entire concept, \$9.23 million, and mechanical services to the total concept, \$9.5 million.

Now the notes I would attach to this are that the apportioned areas in costs are for funding consideration only and do not reflect the dependence on the integrated facility and support services required for each component to operate. The second-floor spaces designated for psychiatry and renal dialysis are estimated to reflect construction to the shelled-in state only. The shared and joint use areas include the mechanical, circulation, public, patient, clinical, administrative, and logistical spaces developed on an integrated basis to support all components, avoiding unnecessary duplication.

Mr. Chairman, while I'm on my feet I would like to correct an earlier answer I gave relative to where Dr. Bradley's contract is paid. It was originally the intent to continue paying it through the Department of Hospitals and Medical Care, but I'm advised it is now paid through Executive Council.

To clarify another question by the hon. Leader of the Opposition, no funds have been voted for pure medical research, so of course no funds have been

expended in that particular area. I indicated that was a separate matter from the applied research.

MR. CLARK: Mr. Chairman, to follow up that breakdown. Mr. Minister, from the figures I jotted down here, we're looking at perhaps \$25 million of the \$64 million that would be directly related to cancer. [interjection] Out of \$64 million. That's the figure you gave us earlier this evening for the total cost by '81 — at least that's the figure I copied down. We're looking at about half the cost of what was initially the Southern Alberta Cancer Centre directly related to cancer, and the other half to specialty services on a shared basis. Is that an accurate breakdown?

MR. MINIELY: Mr. Chairman, I asked them to give the hon. Leader of the Opposition the other costs that add into the facility. Basically the physical construction is \$50 million. To bring it up to the \$64 million, we have to add in additional costs as follows, if the hon. leader wants to write this down: owners' costs, equipment and furnishings, \$7,821,105; consultants' fees — these are all related to the entire concept — \$3,820,789; planning and studies, \$623,500; associated alterations and services, \$1,276,250; temporary services and commissioning costs, \$917,100. So the owners' costs total \$14,458,744 which, when added to the \$49,956,935 which was provided earlier, provides a total project cost of \$64,415,679 in 1977 dollars.

MR. CLARK: The question is: approximately half of the \$64 million is going to be directly related to cancer treatment and the rest of it to other medical work that's going to go on in the centre. Is that the breakdown?

MR. MINIELY: Mr. Chairman, I can't say that. On the physical part of the cost, which is the \$50 million, it appears as though the arbitrary breakdown would provide for \$9.35 million in terms of the cancer facility. Add to that the \$3.7 million. That's \$13 million. Radiology and nuclear medicine is \$16.45 million. The joint use and shared areas total \$18 million. So, Mr. Chairman, I don't think one could make the assumption the hon. leader does, because there are a lot of integrated, joint use facilities that we can't break down on a fifty-fifty basis the way the hon. leader is doing.

MR. CLARK: Then, Mr. Minister, surely you can tell us in broad, general terms what portion of that facility is going to be used for a cancer centre and what portion of the \$64 million is likely going to be for other services. Is it half? Is it 60 per cent, 65 per cent, 70 per cent, 40 per cent? Give us some sort of ballpark figure, Mr. Minister.

MR. MINIELY: Mr. Chairman, I can't do more than I've done. It's an integrated facility and there are joint use areas. I can't, nor can the architects or engineers at this stage. They haven't been able to provide us with a breakdown other than what I have provided to the hon. Leader of the Opposition. Some components may be fifty-fifty, but others might be seventy-thirty. I can't provide any further breakdown than I have now. This is what we've received from the Foothills Hospital Board and the Provincial Cancer Hospitals Board

through the implementation committee. The hon. leader would have to make his own assumptions in that regard other than the detail I've now provided.

MR. CLARK: Mr. Minister, I'm not going to pursue the matter. We've been through this question of the Southern Alberta Cancer Centre many times. But we've now moved from a situation where initially this was a total southern Alberta cancer complex, when you announced it almost two years ago in the House. Then last year you found out with us that other things were going on in there. Now this year — and I say it with the greatest respect, Mr. Minister — you can't give us a breakdown as to what portion is going to be directly applied to what we all thought the project was first about and what portion is going to be used for things we found out about last year.

I don't really think that's an unreasonable request, to be able to tell the Members of the Assembly what portion of this \$64 million project you anticipate is directly related to the function you got approval for from this committee two years ago. A year later we found out that what we'd given you approval for wasn't really what you were building at all. Now tonight you can't even tell us whether it's 50 per cent, 60 per cent, 70 per cent, or 80 per cent.

If it's the fault of your consultants and engineers and all those kinds of characters — and I see you've got about \$5 million for those people — you should fire the whole bloody works. Certainly they can give you that kind of information, and if they're not, Mr. Minister, they're not being very decent to you.

MR. MINIELY: Mr. Chairman, I've given the hon. Leader of the Opposition the breakdown we have. It includes specific items for cancer and specific items for extended care, which as I say will be used for cancer to a large degree, to a degree which is not yet known, in joint use and shared areas. It's an integrated concept and any breakdown we make is arbitrary at the very best. So we have provided a breakdown to this degree, but beyond that we might be making assumptions that are simply inaccurate. I don't want to leave a misleading impression beyond what we are able to provide at this time. We believe it to be the best arbitrary breakdown we can provide on what is really an integrated facility.

For instance, if we take the extended care beds out of the concept, the whole concept falls flat on its face. It's an integrated shared-use facility. I'm simply saying, Mr. Chairman, that we have tried to break it down this far acknowledging that it is arbitrary, at least at this stage, until the project proceeds more.

Agreed to:

3 — Southern Alberta Cancer Centre and Specialty Services Facility	\$35,000,000
<i>Environment</i>	
4 — Land Reclamation	\$5,000,000

Development of Oil Sands Technology

Agreed to:

<i>Energy and Natural Resources</i>	
1 — The Alberta Oil Sands Technology and Research Authority	\$38,200,000

Establishing and Improving Recreational Facilities

Agreed to:

Environment

1 — Capital City Recreation Park \$6,270,000
2 — Fish Creek Provincial Park \$3,500,000

Recreation, Parks and Wildlife

3 — Fish Creek Provincial Park \$3,719,000

DR. BUCK: Mr. Chairman, one short question to the Minister of the Environment. It just zipped by me, but we can come back to it because we haven't finished the final vote. Can the minister bring us up to date on what the policing is like? Are we having any problems with Capital City Park? Secondly, can the minister give us any indication — in whatever year's dollars he wants to talk about, this year's, or when the project is finished — what the final cost of the project will be, using whatever yardstick he wants to use for the park. How close to completion are we, as the minister sees it?

MR. RUSSELL: Dealing with the last question first, being close to completion, Mr. Chairman, the portion of the park within the city limits is essentially finished. It's complete except for finishing the land acquisition contemplated at the time the park was designed.

DR. BUCK: Complicated.

MR. RUSSELL: Yes, it has been complicated, because these land acquisition programs with many owners are extremely complex. We're presently preparing an amendment to the agreement which will extend the purchase time for those outstanding parcels for some three to five years. I think that would be realistic. That deals with a component of the park within the city.

The part that is not finished but will be completed sometime late next summer is what's called the Strathcona Science Park. It's well under way. I think it's going to be a pretty nice park out there, and it will be connected physically to the Edmonton portion of it. So this \$6.2 million vote in front of you is really broken into two. There's \$1.5 million in there for ongoing land purchase and \$4.7 million for capital construction. That capital construction is all in the Science Park area.

Looking at the inflating factors dealing with land prices within the city makes it very difficult to include the land in what will be the final total cost of the park. I'm only guessing that it might be another \$5 million. In round figures it looks like it's going to be a \$45 million park in actual dollars. In terms of 1974 dollars that have been prorated each quarter to allow for construction costs, it's on budget. That relates back to the '74 dollars that were estimated at that time. It's the land component that makes it difficult to come any closer.

DR. BUCK: Mr. Chairman, the minister forgot my question about the policing, whether we were having problems. Secondly, can the minister indicate what feedback he's been receiving from the city of Edmonton, if any, about the cost of ongoing maintenance, et cetera, that will be required to keep the parks going?

MR. RUSSELL: The operating costs are covered in the agreement and decrease on a sliding scale every two or three years, so that eventually it levels out at a fifty-fifty cost-sharing thing. I don't think there's any great argument over that.

Policing and vandalism are a matter of concern and worry. By the nature and shape of the park, the topography and the thick underbrush and natural areas, it has to be the kind of area that I think requires good police protection, so that people feel comfortable in it at all times of the day.

The initial spurt of vandalism that occurred when it was opened, like going after wooden structures with chain saws and after light bulbs with shotguns and those kinds of things, seems to have peaked, and I haven't heard any more about that. My colleague the Solicitor General is working very hard on preparing a program of police protection which he hopes the city will accept. Perhaps he could comment further on that aspect now.

MR. FARRAN: I can't add very much to that, Mr. Chairman. We're in negotiation with both the city of Edmonton and the city of Calgary in regard to policing these two large natural parks. When the negotiations are complete, I will make a statement in the House. This is not part of the heritage savings trust fund; it's part of the regular operating budget.

DR. BUCK: Just one short final question to the Minister of the Environment. Can the minister indicate to the committee what use we've been making of it since the official opening and after the termination of the Games? How extensive is the utilization of the park?

MR. RUSSELL: I don't have any figures. I don't think any official surveys have been undertaken, but from any reports or experience I've had I would say the park is being very well used. Particularly the hiking and cycling trails seem to be very, very busy. Of course the civic components, the various golf courses, Rundle Park, and Gold Bar, always were busy. I'm very pleased with the way the citizens are flocking into the river valley to use it. They really use this valley in Edmonton.

Agreed to:

Environment

1(a) — Capital City Park \$4,085,000

Recreation, Parks and Wildlife

3(a) — Fish Creek Park \$731,000

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

[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports progress on the same, and requests 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.

[At 9:57 p.m., on motion, the House adjourned to
Wednesday at 2:30 p.m.]