

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, June 25, 1979 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. HORSMAN: Mr. Speaker, it gives me a great deal of pleasure today to introduce to you, and through you to the members of the Assembly, a distinguished member of the House of Commons, Mr. Bert Hargrave, the Member for Medicine Hat. Will he please rise and receive the welcome of the Assembly.

head: INTRODUCTION OF BILLS**Bill 206****The Mortgage Payment Penalty Act**

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill No. 206, The Mortgage Payment Penalty Act. The basic principle of the bill would be to eliminate penalties for early payment of mortgages.

[Leave granted; Bill 206 read a first time]

Bill 224**An Act to Amend The School Act
(No. 4)**

MR. R. CLARK: Mr. Speaker, I beg leave to introduce Bill 224, An Act to Amend The School Act (No. 4). The Bill establishes guidelines for the maintenance of teachers' personnel files.

[Leave granted; Bill 224 read a first time]

head: INTRODUCTION OF SPECIAL GUESTS

MR. MILLER: Mr. Speaker, it's my pleasure to introduce to you, and through you to the Members of the Legislative Assembly, 19 grade 9 students from St. Mary's school in Lloydminster. They are accompanied by their teachers Mr. Weeres, Mr. Krawchuk, and Mr. Walter. They are seated in the members gallery, and I would ask at this time that they rise and be recognized by the House.

head: ORAL QUESTION PERIOD**Metis Settlements**

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Social Services and Community Health. My question concerns the incident at the Metis colonies last Monday. Will the minister ad-

vised the Assembly what further efforts have been made to recover files from the two settlements where files were not removed in last Monday morning's visits?

MR. BOGLE: Mr. Speaker, I believe that question was adequately answered last week by my colleague the Attorney General. If the Attorney General has anything to supplement the answer he gave at that time, he might wish to do so.

MR. R. CLARK: Then I'll put the question to the Attorney General. Have the files that the government deemed to be theirs been taken from the two settlements where Monday morning's visitors were not successful in getting the files?

MR. CRAWFORD: Mr. Speaker, I have no up-to-date information on that. As of the end of last week my understanding was that that was still in process. I'd be quite pleased, though, to get the information for the hon. Leader of the Opposition.

MR. R. CLARK: Mr. Speaker, a supplementary question to the Minister of Social Services and Community Health. Last week the minister indicated that all Metis settlement property had been returned to the settlements. Has subsequent viewing of the files revealed any further material belonging to the settlements?

I ask the question in light of comments made by the minister during the weekend that files will be back to the colonies by the end of this week.

MR. BOGLE: Mr. Speaker, the files which were not the property of the government were returned last week, as I indicated earlier. Also, as I have stated on a number of occasions, the pertinent government files will be returned to the government settlement offices sometime this week.

MR. R. CLARK: Mr. Speaker, to the hon. minister. In the course of the weekend, according to reports, the minister met with representatives of the settlements, and the proposal was put to the minister that the government take the files back to the settlements, and that representatives of the government and representatives of the elected officials on the settlements would then go over the files to ascertain which were the government's property and which the property of the settlements.

I pose the question to the minister: has he now had a chance to consider that proposal, and is he prepared to indicate to the Assembly his reaction to that proposition?

MR. BOGLE: Mr. Speaker, last Friday a representative from the Federation of Metis Settlements requested that I meet with the council chairmen from each of the settlements and with the federation executive. That meeting occurred over the weekend. One settlement chairman did ask whether that might be accommodated.

I responded by indicating that at that time two of the six sets of files had been examined, and that over the weekend the work on the other four settlements' files was going on and they could be back in the offices by Friday of this week. I then posed the question whether they wished that I request the process to be halted so some consideration could be given to the

request. No representative at the meeting requested that that be done. Therefore we're proceeding with the plan as originally outlined. The files are to be returned no later than Friday of this week.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Minister responsible for Native Affairs. By what line of responsibility are Metis groups to make presentations to the government, either to the hon. minister's department or to the Minister of Social Services and Community Health, with regard to propositions to be put forward by representatives of the various colonies?

DR. McCRIMMON: Mr. Speaker, with respect to the propositions put forth by the Metis people, I think it depends a good deal on the type of proposition. If it affects social services and welfare, automatically it would be made to the minister in charge of that department. The broader scope of things that affect the Metis settlements would probably come to my office.

MR. R. CLARK: Mr. Speaker, then I'd like to put a supplementary question to the Premier and ask what instructions have been given to Mr. Cote, the legal adviser to the province, as to having representations and projects the native people are putting before the government funnelled through Mr. Cote's office?

MR. LOUGHEED: Mr. Speaker, I don't know why that question's directed to me. I have no knowledge about that.

MR. R. CLARK: Mr. Speaker, I'd like to table for the Assembly a letter the Premier sent to the president of the Federation of Metis Settlements on September 9, 1977.

In order to minimize these problems and shorten the delay in response, instructions have been forwarded from the Attorney General to Mr. J. Cote, the Solicitor handling the action for the Province, indicating among other things that Mr. Cote contact your Solicitor . . . and inform him that the central source for channelling all major requests, negotiations, projects . . . be Mr. Cote . . .

Mr. Premier, that's why I ask the question. What guidelines have been given to Mr. Cote?

MR. LOUGHEED: Mr. Speaker, I was confused about the reference to Mr. Cote. I thought the hon. leader was asking about the earlier questions in the House with regard to our effort to work out with the Metis settlements arrangements that would not be prejudicial to the claims with regard to mineral rights. As I mentioned in the House last week, I'd been instrumental, with the Minister of Social Services and Community Health and the Minister responsible for Native Affairs, in setting up discussions during the course of this summer on those particular matters aside from the litigation.

MR. R. CLARK: Mr. Speaker, to the Premier. What instructions has the government given Mr. Cote, then, if he is now the man between the people on the settlements and the government? Are requests to go to Mr. Cote and then be channelled to either the minister on the right or the minister on the left?

MR. SPEAKER: I had some considerable misgiving about this question when it was first asked. As far as I'm aware, Mr. Cote is a solicitor acting on behalf of the government of Alberta. It would seem to me of doubtful propriety to try to probe into a solicitor/client relationship to find out what instructions were given. As far as matters outside the lawsuit are concerned, the hon. Premier has already answered.

MR. NOTLEY: Mr. Speaker, I wonder if I could put a supplementary question and ask the hon. Premier to advise the Assembly what policy considerations led him on September 9 to write this letter indicating that major projects, requests that would normally come to the minister who is responsible and accountable in this Legislature — why the government chose to suggest in this letter that all this information and requests for information and for actions would in fact go through the government's solicitor.

What policy considerations led the government to conclude that the normal avenue of approaching the government would be sidetracked?

MR. LOUGHEED: Mr. Speaker, litigation was involved, and we received advice from the Attorney General's Department at the time such a letter was written. I'd have to check the letter referred to by the Member for Spirit River-Fairview or the Leader of the Opposition to see whether it's applicable in the present circumstances.

All I can say is that I have been in direct communication with the acting president of the Metis settlements to discuss the matter of a without-prejudice agreement relative to municipal services for the Metis settlements. That is the current situation. It does not involve any indirect action through any solicitors. As I've mentioned to the Leader of the Opposition, it will involve discussions including me, the Minister of Social Services and Community Health, and the Minister responsible for Native Affairs. It will be directly with the ministers involved.

MR. R. CLARK: Mr. Speaker, one last supplementary question to the Premier. What is the avenue that proposals, major projects emanating from the settlements, should now follow? Should major projects, housing for example, go to Mr. Cote and then to the minister, or directly to the minister? Where does the thing stand?

MR. LOUGHEED: Mr. Speaker, it would stand on this basis. When during the course of this summer we hold our discussions as to whether or not we can work these out without prejudice to the litigation between the parties, we will establish a mutually satisfactory way in which the projects may be presented.

MR. NOTLEY: Mr. Speaker, a supplementary question on this matter for the hon. Minister of Social Services and Community Health. If my memory serves me correctly, last Monday the minister indicated that he had not been given any information about a proposal from the counsel for the settlements that there be a joint review of the settlement files.

Mr. Speaker, my question to the minister or to the hon. Premier: was any transmission made by Mr. Cote of the proposal by the settlements themselves that there be joint review of the files? Was any transmission of

that request by the settlements made to either the hon. minister, the Minister responsible for Native Affairs, or the hon. Premier?

MR. BOGLE: Mr. Speaker, the only such reference I recall last week came late in the week, when a question was raised by the hon. Member for Little Bow as to the recommendation by the Metis settlements of a joint approach in addressing certain problems. At that time I indicated that by the hon. member's own admission the report was dated 1972, and that I was not familiar with it, but that if the Federation of Metis Settlements wished to bring it forward as a current item I'd certainly be prepared to discuss it with them.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier or the hon. minister. I'm afraid I have to have a second or two to preface this question. In view of the Premier's letter of 1977 which indicated that all major proposals had to go through the government's solicitor, the solicitor for the settlements made a proposal to the government's solicitor that there be joint review of all files on the settlements.

My question to all three hon. gentlemen, so there is no misunderstanding: there was no transmission of this very important proposal to any of the ministers or the hon. Premier by the solicitor for the government of Alberta before the documents were seized?

MR. BOGLE: Mr. Speaker, I am aware that between September 1977 and the present time there has been correspondence between the solicitors for the Metis federation and the solicitors for the government. A number of proposals have been examined, one of which is the without-prejudice aspect, and whether that could in fact be done. That is the item to which the hon. Premier alluded last week that we are presently looking at. It's the kind of thing we'd very much like to see happen, so that very positive development may take place in the settlements — the kind of development the Metis people and in fact we as a government want.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The question relates to the proposal made by the counsel for the settlements to the solicitor for the government of Alberta, and whether that proposal was transmitted to any of the hon. ministers, who are accountable to this House, before the files were seized. The proposal was for joint review of the files. So there's no misunderstanding: was there any transmission of that proposal?

MR. BOGLE: Mr. Speaker, I'm not aware of any such request. The hon. Attorney General may be able to supplement that question further. But I'd like to point out that whoever sits in the capacity of Minister of Social Services and Community Health, there are not direct conversations between that minister and the solicitor acting on behalf of the government, who works through the Attorney General's Department.

MR. NOTLEY: Mr. Speaker, I would put to either the hon. Premier or the hon. Attorney General the question whether there was any transmission of this proposal to either of the hon. gentlemen before the seizure of the files took place last Monday.

MR. CRAWFORD: Mr. Speaker, I'd be glad to make some inquiry in order to find what information might properly be responded to in the question period with respect to that question. However, I should say to the hon. member that if a request was made in respect of documents in the lawsuit, it would undoubtedly have been made by the solicitor for one party to the solicitor for the other party. That discussion would take place at that level.

MR. NOTLEY: Mr. Speaker, I'd like to put this question to the hon. Premier, in view of the fact that the Premier signed the letter of September 9, 1977, and that there has been at least some discussion of last Monday's seizure. Did the hon. Premier's office receive any transmission by the solicitor acting for the government of Alberta of the very important proposal made by the counsel for the settlements themselves that there be joint review of these documents so that seizure would not be necessary?

MR. LOUGHEED: Mr. Speaker, as I said before and I'll repeat, without checking I can't give a specific answer to the hon. member as to whether a specific document came through my office. But so the record is clear, I think it should be clear what has occurred.

There is litigation between the government of Alberta and the Metis settlements on the issue of mineral rights. When it was raised with us — I presume prior to September 9, 1977 — that it might be possible to work out some programming or autonomy action on behalf of the provincial government without prejudice to the litigation, that matter was discussed by the Executive Council, and we received advice as to what we should do from a legal point of view. On that basis I sent the letter of September 9, 1977, so any requests involving that would flow through the solicitor for the government and would clearly be checked as to whether or not they were without prejudice to the litigation. Without checking I'm not in a position, nor is the Attorney General, I'm sure, to know the nature of the various proposals or how they were dealt with.

In the fall of 1978 I did mention in this Legislature that I felt we should attempt to accelerate the effort of trying to work out this particular matter with the Metis settlements on a without-prejudice basis, in the hope that it would not have to wait until all the litigation had been completed. For that reason last week I was in communication, as I mentioned earlier, with the acting president of the Federation of Metis Settlements. I wrote to him and suggested that we meet this summer in order to accelerate the situation. I'd be happy to table that letter in the Legislature tomorrow. What we're trying to do is recognize on one hand that we have important litigation, and on the other hand that it is extremely important for us, if we can, to work with the Metis settlements and improve their services and facilities.

MR. NOTLEY: Mr. Speaker, one final supplementary question to the hon. Premier. Can he advise the Assembly whether the Premier, the Attorney General, or either of the two ministers who would have responsibility in the area have met periodically with the solicitor for the government, and that all administrative actions by the government of Alberta, for which this government is in fact responsible, are made by the responsible

ministers as opposed to being made by the legal counsel for the government of Alberta?

MR. LOUGHEED: Mr. Speaker, I'd have to check that, but when litigation is ensuing, there's absolutely no way. That is the whole point. The hon. member fails to understand the nature of a without-prejudice agreement. It is clear that if whatever action the government is able to take to work out programming with the Metis settlement over the ensuing months is not worked out with proper legal advice, it could be prejudicial to the litigation. So clearly the hon. member is unable to understand the nature of without-prejudice litigation.

MR. NOTLEY: Mr. Speaker, the Premier's answer invites an argument, and perhaps he'll get it in the question period. The question has nothing to do with a without-prejudice agreement. It is with respect to the administrative responsibilities this government must bear for the seizures that took place on Monday last, and whether those seizures were authorized by legal counsel for the government or by a responsible minister who is accountable to this Assembly and to the people of Alberta.

MR. SPEAKER: Surely we're not going to flog this thing in this fashion for another week or two. It would appear that on a number of occasions the questions have clearly related to a solicitor/client arrangement between the government and its solicitor. That kind of thing simply cannot be carried on in a question period for anybody in a lawsuit, including the government of Alberta. To put the best construction on his last question, the hon. member is repeating a question he has asked three or four times before. It would appear that that should be often enough.

Isolated Communities Advisory Board

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier too. Is he in a position to advise the Assembly why the government of Alberta, through the PSS director in Slave Lake, seized the files, the office furniture, the office equipment, and for that matter even the coffee and cups of the Isolated Communities Advisory Board on May 15, 1978?

MR. LOUGHEED: Mr. Speaker, I have no knowledge of that matter. I would have to take notice and find out the background.

MR. NOTLEY: Mr. Speaker, I'd like to ask a supplementary question of the hon. Minister of Social Services and Community Health. Is he in a position to advise the House?

MR. SPEAKER: Order please. The question relates to what might appropriately be called past history. It is clear that the question period is not intended for that kind of review. If the hon. member wishes to ask a question of that nature, he's fully entitled to put it on the Order Paper in the usual way.

Grain Quotas

MR. HYLAND: Mr. Speaker, my question to the Minister of Agriculture relates to the extension of quotas

for the delivery of grain. Would the government of Alberta approach the federal minister responsible and ask him to extend the quota for soft white wheat from the 30th of this month to sometime the following month? The reason is that a number of elevators surveyed this morning have anywhere from 40,000 to 70,000 bushels of soft white wheat to come in, and there's no room in the elevator and no prospect of moving that much in and out between now and Friday.

MR. SCHMIDT: Mr. Speaker, it's difficult to place a direct answer to that particular request. But regarding quotas in general and perhaps tied to a much broader aspect of white spring wheat, at this time the department has made some requests in regard to the quota system, being faced with the new crop coming; on and with the existing storage facilities. We'd certainly look at the total picture of quotas in the submission.

MR. HYLAND: A supplementary, Mr. Speaker. An extra quota was allotted for soft white wheat on June 14. It has to be in by the cut-off date at the end of the month. The mail being what it is, most growers just received their last year's quota, thus compounding the issue. In his talks with the Wheat Board, would the minister also ask them to give one a little more notice to get his grain in?

MR. SCHMIDT: Mr. Speaker, we could make the Wheat Board aware of the problem.

Metric Conversion

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Attorney General. Could he indicate whether the Land Titles Office is or will be using the metric system to register new subdivisions?

MR. CRAWFORD: Mr. Speaker, my understanding has been that the Land Titles Office would continue to use both systems of measurement, in order that the public would not be unnecessarily confused by the change. However, in view of the hon. member's question, I'll be pleased to verify that situation.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Would the Attorney General also check to see whether caveats and instruments are surveyed and registered in the metric system?

MR. CRAWFORD: Yes, Mr. Speaker. The registration system would be consistent throughout, regardless of the type of document referred to. The only difference I could imagine might be between farmlands and subdivided lands. I will check into the matter.

MR. MANDEVILLE: A supplementary question to the hon. Minister of Agriculture. Is it the government's intent to use the acre as the basic unit of measurement of land in Alberta, or will there be a complete transfer to the metric system? I'm thinking of agricultural land.

MR. SCHMIDT: Mr. Speaker, the Department of Agriculture has always been very partial to the acre and will do everything in its power to retain it.

Early Childhood Services

MR. ZAOZIRNY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Education. It is in respect of the St. Luke early childhood services program — located, by the way, in the constituency of Calgary Forest Lawn — and the minister's advice of last Thursday to this House that an application for financing of portables was to be made within 24 hours, as I recall, and his mentioning that there was a dance by the local school board and the Department of Education around a policy interpretation. I suppose my question could be whether they've stopped dancing, or whether they've at least decided who's going to lead.

Very seriously, my question to the minister is: what decision has been reached on the financing of a portable for the St. Luke ECS program?

MR. KING: Mr. Speaker, we decided we would lead; consequently the dancing has stopped. But I would rather not advise the House on the outcome of that particular situation until the operators of the ECS program have been advised of the decision. The decision has been made, a letter has been sent to them, and in a couple of days I would be prepared to make that advice public if they have not done so themselves.

MR. ZAOZIRNY: A short supplementary. Is the minister aware that the St. Luke program has been given notice to vacate its present facilities as of the 29th of this month? Has that been taken into account in his communication?

MR. KING: Yes, Mr. Speaker.

Oil and Gas Price Agreements

MR. OMAN: Mr. Speaker, my question is to the hon. Minister of Energy and Natural Resources. I believe he met with his counterpart in Ottawa last week, and I wonder if he could report to the House any of the results of that meeting.

MR. LEITCH: Mr. Speaker, the principal results of that meeting were that Alberta and the federal government reached an agreement that the \$1 per barrel price increase in the current agreement between the federal government and the government of Alberta regarding oil pricing would go ahead on July 1 of this year, as called for in that agreement.

Secondly, we agreed that the natural gas pricing agreement, which would expire on August 1, 1979, would be extended for a further six months in accordance with its present terms, which means that the natural gas price would go up approximately 15 cents per MCF following the July 1 oil price increase.

MR. R. CLARK: Mr. Speaker, a supplementary question to the Minister of Energy and Natural Resources. Was any commitment received from the federal government with regard to the January 1, 1980, \$1 per barrel increase which was a part of the understanding reached with the previous government?

MR. LEITCH: Mr. Speaker, there wasn't a commitment, because we really didn't discuss the January 1 scheduled price increase, as that is now part of an agreement between the federal government and the

province of Alberta. But I would anticipate discussions later this year with the federal minister regarding future oil and natural gas pricing.

MR. R. CLARK: Mr. Speaker, to the hon. minister. Having regard to the fact that the \$1 per barrel increase announced last week by the ministers was also in the agreement, is it the position of the Alberta government that a \$1 per barrel increase next January is the target the Alberta government is aiming at, in light of this agreement?

MR. LEITCH: Mr. Speaker, I don't know that I can add very much to what has already been said in the House to the effect that we do have an agreement in place. Alberta has indicated, through the Premier's comments, that when we enter into these kinds of agreements we're prepared to abide by their terms.

On the other hand, certainly events are occurring very rapidly in the energy field. Some very important ones are decisions the United States may make about internal pricing of its oil, decisions that may be made by the exporting nations of the world about their pricing of oil. There may well be discussions — in fact, as I indicated earlier, I anticipate there will be discussions later this year — regarding the future pricing of oil and natural gas. It may be that during those discussions we will include pricing as of January 1, 1980.

MR. SPEAKER: A further supplementary by the hon. Member for Calgary North Hill followed by the hon. Member for Spirit River-Fairview, and then I believe the hon. Member for Edmonton Mill Woods wishes to ask a supplementary.

Gas Exports

MR. OMAN: Mr. Speaker, I wonder if the hon. minister could indicate whether he had any feeling at all for the new government's position on gas exports.

MR. LEITCH: Mr. Speaker, during our meeting we did not get involved in detailed discussions about natural gas exports.

Oil and Gas Price Agreements (continued)

MR. NOTLEY: Mr. Speaker, I'd like to ask if the minister discussed with the federal minister statements that had been attributed to the federal minister which would alter the agreement with Alberta. The agreement we have is mutual, but it could be changed if both sides agree.

Was there any discussion of an increase larger than \$1 a barrel on January 1? Because comments to that effect have already been attributed to the federal minister's office.

MR. LEITCH: Mr. Speaker, there was no discussion as to what increase might take place on January 1, 1980. As I have said, there is an arrangement in place that would call for \$1 per barrel increase as of that date. However, we did discuss the fact that we would need to meet later this year, and that a wide range of energy issues would no doubt be discussed during those meetings. I would expect that during those meetings we

would be discussing the question of the size of the oil price increase on January 1, 1980.

MR. PAHL: Mr. Speaker, my question has been answered. Thank you.

Northlands Park Dispute

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Solicitor General in his capacity as minister accountable to the Assembly for the Alberta Racing Commission. Can the minister indicate to the Assembly the status of the dispute at Northlands Park, where later this week the horses will stop running?

MR. HARLE: As I understand it, Mr. Speaker, negotiations are proceeding. I hope the matter can be resolved.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. Is the minister in a position to indicate whether the new chairman of the Alberta Racing Commission has in fact visited the stable areas and seen the various facilities at Northlands Park that people are complaining about?

MR. HARLE: Yes.

MR. R. CLARK: Mr. Speaker, to the minister. Has the chairman, the recently departed member of this Assembly, Mr. Farran, visited the facilities? Has the minister assured himself that the former minister knows what's going on over at Northlands so that he can play the role of catalyst and get things going?

MR. HARLE: Yes.

MR. R. CLARK: Mr. Speaker, to the 'yessing' Solicitor General. Has the Solicitor General discussed the matter with officials of Edmonton Northlands, and have those discussions taken place this week?

MR. HARLE: No, I have not discussed them.

MR. R. CLARK: Mr. Speaker, is it the Solicitor General's intention to become involved?

MR. HARLE: Not at this time.

MR. HYLAND: Mr. Speaker, a supplementary. I'm glad the Leader of the Opposition brought up the problem that the horses have stopped running. That's what happens to every horse I put some money on, too.

MR. R. CLARK: You can't blame Roy Farran for that.

Motorcycle Helmet Law

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Transportation. It follows from the little gathering the minister addressed last Saturday. Is the minister in a position to inform the House whether he has had the follow-up meeting he promised to have with a small group of bikers with respect to their concern about helmet legislation?

MR. KROEGER: Mr. Speaker, as far as I know they haven't formed that small group. They haven't yet requested a meeting.

Metis Settlements

(continued)

MR. R. CLARK: Mr. Speaker, my question is to the Minister of Social Services and Community Health. It's a very straightforward question. I ask it in light of the announcement by the Ombudsman over the weekend that his office would be investigating last Monday's visits to the Metis settlement offices.

Can the minister give the Assembly his assurance that he and his departmental officials will co-operate in every way in the Ombudsman's looking at the whole area?

MR. SPEAKER: Possibly the hon. leader would like to ask the minister if he will do his duty.

MR. R. CLARK: That would be a very appropriate question.

MR. NOTLEY: He'll have to check with Mr. Cote first.

Petrochemical Marketing

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Energy and Natural Resources or the hon. Minister of Economic Development. What assessment, if any, has been made by the government of Alberta with respect to the U.S. International Trade Commission ruling that Alberta Gas Chemicals is dumping methanol on the U.S. market?

DR. HORNER: Mr. Speaker, we've been aware of and have just received the decision of the American organization. Its name slips my memory right now. In any case, Alberta Gas Chemicals has appealed that ruling, and I understand that appeal is now going to the commission in Washington.

MR. NOTLEY: Mr. Speaker, as a form of contingency plan, is the government preparing any representation to the federal government to ask Ottawa to make representation to Washington, because of the importance of this particular plant, especially to the economy of the Medicine Hat area?

DR. HORNER: Mr. Speaker, it is an important part of our entire petrochemical industry. On a previous occasion we made representations to the federal government for them to make representations to Washington. We would be doing that again.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Did any discussions occur at the conference of governors in the northwestern states, at which I understand the Premier indicated federal officials were present, with respect to the entire petrochemical market and in particular the possibility — at that time there hadn't been a ruling — the possibility of the ruling by the trade commission which in fact did take place?

MR. LOUGHEED: Mr. Speaker, no. We didn't get into that particular subject, since it was before regula-

tory authorities. We were basically discussing with them the nature of the GATT negotiations, and when and if they are ratified by the various countries including Canada and the United States relative to petrochemicals, an assessment then of bilateral discussions between Canada and the United States on petrochemical access. My representations to the governors were primarily made on the basis that they be supportive and not negative to our efforts to increase our access for petrochemical products into those market areas.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

CLERK: Motion No. 13.

MR. CRAWFORD: Mr. Speaker, we would like Motion No. 13 to stand for one day. Before the Speaker seeks consent, I might just add that the notice I gave on Friday that I would like to make a motion today in respect to the one hour for government business tomorrow, I would like to proceed with.

MR. SPEAKER: With respect, if the motion can be classed as government business, it doesn't require an order of the Assembly, because the government is entitled to call its business in such order as it sees fit . . .

MR. CRAWFORD: Mr. Speaker, then I . . .

MR. SPEAKER: . . . unless the hon. Government House Leader wishes to get leave to call the motion during private members' business.

MR. CRAWFORD: No, Mr. Speaker, that was not my purpose. I gave notice in respect to an item on Friday, and some hon. members may not have been in their seats at that time. It was simply that we would seek by unanimous consent to use the one hour of government-designated business with respect to which the proper notice hadn't been given. I would like to ask for that now, Mr. Speaker.

MR. SPEAKER: So agreed?

HON. MEMBERS: Agreed.

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 24 The Department of Economic Development Act

DR. HORNER: Mr. Speaker, I'd like to move second reading of Bill 24. This is a straightforward Bill, setting up the new Department of Economic Development, and conforms with the usual structure of such legislation.

MR. R. CLARK: Mr. Speaker, just making a very brief comment with regard to Bill 24, might I say it's our intention to vote in favor of the legislation.

But I do believe, Mr. Speaker, it would be helpful

either at second reading, or preferably in committee, that we get some indication from the minister of what he is thinking of in terms of two areas of particular interest to me. One is staffing, and second is services of experts, the bringing in of consultants. Perhaps the Deputy Premier would prefer to deal with that in committee. I think it would be helpful to get some indication from the minister what kind of numbers we're looking at now perhaps, and at least within a two-year period.

I raise the second question, on the matter of services of experts and consultants, frankly because of a number of people in the business community who expressed to me the view that often this Assembly doesn't consult with various business organizations prior to going on a hunting expedition to acquire consultants, bring consultants in, and then do much the same work some provincial organizations have already done. Perhaps the minister will want to respond in that particular area in committee.

The third and last area I want to speak of deals with the question of grants, Section 7 of the Bill. My question to the minister is: is the government looking seriously at becoming extensively involved in this area, and are we talking in terms of grants that will be used for enhancing the viability of some operations? If that is being looked at here, Mr. Minister, it seems to me a very vital principle, and one I would not be enthusiastic about.

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

HON. MEMBERS: Agreed.

DR. HORNER: Mr. Speaker, perhaps I can answer the three questions now for the hon. leader. If he wants to raise them further in committee, that would be fine as well.

Our staff complement for the time being is 157 people. We don't expect it to grow very rapidly at all. We would expect it to be a lean and expert department. We intend to make use of private consulting firms as much as possible and to as great effect as possible in achieving results.

Insofar as grants are concerned, most of those grants are primarily marketing assistance to a variety of people, relative to trade fairs and that kind of thing. Although the total figure for grants is fairly substantial, it does go to a very wide variety of firms and individuals to attend that kind of thing.

[Motion carried; Bill 24 read a second time]

Bill 25 The Landlord and Tenant Act, 1979

MR. KOZIAK: Mr. Speaker, I move second reading of Bill 25, The Landlord and Tenant Act, 1979. In moving second reading of this Bill, I would like to recall comments I made on introduction. I said the Bill basically represents concepts and principles incorporated in The Landlord and Tenant Act passed in this Legislature in the fall of 1978. At the same time, I would like to indicate to members of the Assembly some changes incorporated in the Bill that I think improve it and at the same time maintain fidelity with principles approved earlier in this House.

I would like to pay special tribute to the Institute of Law Research and Reform, particularly to Mr. Hurlburt, Q.C., and Professor Mapp for their valuable assistance in making the document much more readable for the many tenants and landlords in this province who will come in daily contact with the law contained in this Bill.

I would like to flag areas where changes have occurred for the attention of hon. members: first, the matter of termination of a periodic tenancy. Where that termination is by a landlord, the period of notice has been changed from 90 days, in the previous Act, to three months; and in terms of the tenant, from 30 days to one month. I might say that since introduction of the Act, I have had about a dozen concerned individuals contact the office, all with respect to the lengthy period of notice required for termination of tenancy by a landlord. However, I think that should be taken in balance with other provisions of the Act which permit earlier termination in the event of a substantial breach of the tenancy agreement. When taken in balance, Mr. Speaker, I think we have legislation that is fair to all concerned.

I specifically mentioned the change from 90 days to three months because we had representations on that particular point from a variety of sources. Those representations included the concern that we don't have a calendar divided neatly into 30-day months. As we all know from the rhyme, some of our months extend to 31 days, one to 28, and on occasion 29. With a 90-day notice period, we might sometimes find notice terminating a tenancy during the normal period of a tenancy month, thereby creating problems for both the landlord and the outgoing and incoming tenants. As a result, I feel the change is a substantial and good improvement.

Another area is notice requirements relative to the termination of a tenancy. The 1978 Act provided that in the case of a landlord, notice to terminate a tenancy would have to be in writing, but in the case of a tenant, notice might be either oral or written. We foresaw great difficulties, Mr. Speaker, because of the fact that acting on an oral notice, a landlord may in fact rent the premises to another tenant. When the occasion came, when one was to leave and the other to arrive, you would have a dispute as to which tenant is to have occupation of the suite in question. Following the maxim that it is best to deal with matters of this nature in writing, we provided an amendment which would require all notices of termination to be in writing, whether by landlord or tenant.

Another change I would like to bring to hon. members' attention is the provisions relative to waiver of benefits of the Act. The 1978 legislation did not permit either the landlord or the tenant to waive the benefits and provisions of this Act. That extended beyond the residential tenancy which, if it were to be law, would create great difficulties in the commercial world. We have incorporated an amendment in this Bill, Mr. Speaker, which would of course permit all waivers to exist in commercial tenancies and would permit landlords, in the case of residential tenancies, to waive the benefits and provisions of the Act, but would not permit the tenant to waive the benefits that would accrue to that tenant pursuant to this Act. This would mean that a landlord could agree to accept notice of less than one month for termination of a tenancy. On the other hand, a tenant could not agree to accept

notice of less than three months for normal termination of tenancy, apart from the provisions I referred to earlier, dealing with termination of a tenancy where a substantial breach had occurred.

Perhaps I should also point out to hon. members that there has been a small change relative to the interest payable on a security deposit. Bill 25 provides that where the tenant, by agreement or otherwise, does not receive 6 per cent interest annually on his or her deposit, that interest would accrue, to be payable when the parties agree on its payment, not at simple interest but at compound interest.

I don't think it's necessary for me to raise other areas at this particular point, unless hon. members wish to do so during the course of debate, at which time I can respond in closing debate. Our goal in putting forward this legislation is to make this aspect of the law as clear as possible to landlords and tenants in this province. As I said earlier, if any piece of legislation that we pass in this Legislature will daily affect the lives of a great number of people, this is it. It should be understood by those people affected by it.

[Motion carried; Bill 25 read a second time]

Bill 27

The Research Council Amendment Act, 1979

DR. HORNER: Mr. Speaker, I move second reading of Bill 27, The Research Council Amendment Act, 1979. I could just reiterate what I said on introduction. The Act changes the structure of the Research Council somewhat, in that an elected official becomes the chairman, and the director of research becomes the president of the council.

I think one of the important amendments is the repealing of Section 12, which has been in the Act since 1921 and in our view certainly required repeal.

MR. R. CLARK: Mr. Speaker, Bill 27 is a piece of legislation that deals with an agency which I think has been seriously neglected over the past several years in this province: the Alberta Research Council. If members take the time to look back, they'll find that over many years the Alberta Research Council has made a significant contribution to this province. One of the most outstanding ones, although perhaps not the most outstanding, certainly was doing much towards developing the process now used for extraction of oil from the tar sands. Work at the Research Council certainly was very instrumental in those early years.

Mr. Speaker, I do not rise on second reading of the Bill to plead the case for the Research Council. It's been the subject of question period in this House on more than one occasion over the last year and a half. I simply want to make the point that I believe the Research Council has been losing its impact as for as overall research in this area over the past number of years.

The second point I want to make is to take issue with the Deputy Premier's statement that an elected person will be chairman. For years the chairman of the Research Council has been an elected person, a cabinet minister. Let's clearly understand that we're removing a member of Executive Council from the chairmanship of the Research Council, and the government is picking one of its backbenchers as chairman.

When we debated Bill 22 in the Assembly last Monday evening, I tried to point out to members of the

Assembly the potential conflict situation I see when Members of the Legislative Assembly who are not cabinet ministers but MLAs become involved in this type of administrative situation. It was very obvious by the vote last Monday night — I believe it was 40 to 4 — that we're not going to convince the government that it shouldn't move in this direction.

I want to make it very clear here that I have high regard for the hon. Member for Calgary McKnight, who has been designated chairman of the council. I want all members clearly to understand that it's nothing personal against that member. But in my judgment the practice we are establishing is wrong; not only in my judgment, but we can cite a number of people who have expressed similar points of view outside the province of Alberta over a period of years. I simply say that it's nothing personal against the Member for Calgary McKnight; it's the practice being established of setting up an MLA as chairman of the Research Council.

I earnestly hope that serious problems will not develop as a result of this appointment, because the Research Council needs a breath of fresh air. There's no question about that. In my judgment it's the practice we're starting here this afternoon is wrong in principle, for the very arguments I made last Monday night in the Assembly. Even at this late hour, I think members should seriously consider the road we're now moving down.

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

HON. MEMBERS: Agreed.

DR. HORNER: Mr. Speaker, the hon. Leader of the Opposition can disagree with the practice of a member of this Assembly taking the chairmanship of the Research Council. I think it's a step forward: that member can then address himself to the problems the Research Council indeed has had and will be able to bring time and energy to solving those problems. If we have some additional money to invest, the investment in research is one in which there is very little disagreement among all people of Alberta,

The Research Council has a long and dignified history in this country. Indeed it was the first research council set up, even ahead of the National Research Council in Ottawa. It has done a lot of fine work, and has a lot of good people. As mentioned in the Speech from the Throne, they are now working very hard on a five-year program which, under the leadership of the hon. Member for Calgary McKnight, will put in place a much more effective liaison between industry and government departments in this province in the new arrangement we are proposing in Bill 27.

MR. R. CLARK: Mr. Speaker, could I ask the Deputy Premier one question. In the course of both introduction and concluding remarks, the hon. Deputy Premier said we will now have an elected person as chairman of the council. A cabinet member has been chairman of that council for years and, the last time I checked, cabinet people were still elected in Alberta.

DR. HORNER: Mr. Speaker, I intentionally said an elected member of this Legislature, the hon. Member for Calgary McKnight. I appreciate what the hon.

leader is saying. Two members of Executive Council will continue to be on the Research Council as well.

[Motion carried; Bill 27 read a second time]

Bill 28

The Assured Income for the Severely Handicapped Act

MR. BOGLE: Mr. Speaker, it gives me pleasure to move second reading of Bill No. 28, The Assured Income for the Severely Handicapped Act.

Mr. Speaker, this Bill brings into being the commitment made by the Premier and my predecessor on February 12, and the subsequent announcements. I don't wish to go into the various points which have already been covered, other than to say that the Bill will have a significant impact on severely handicapped Albertans in assuring them a guaranteed income equivalent to that provided to Alberta senior citizens.

I would like to comment briefly on a couple of aspects, Mr. Speaker. First, the Act provides for a director, so the income test may be conducted. There is an appeal panel in this proposal, so there will be an appeal approach through peers if any individual or trustee feels the case has not been properly handled by the director.

I've just tabled the proposed regulations for the Bill. Mr. Speaker, you will note that schedules 1 and 2 are not attached to that proposed set of regulations, as they are being worked on at the present time.

MR. R. CLARK: Mr. Speaker, I really planned to make these comments with regard to the next Bill, Bill 29, but I want to make them here because I think it's especially important to this minister. Today we're being asked to approve legislation which no one argues with in principle. But the position this minister has taken in the House in the last week is that the minister is responsible for policy but not for administration. Now what we're doing here is debating the principle. The principle is laudable, and I plan to vote for it. But I want to say to the hon. minister, both with regard to this Bill and the next: when we get into committee, Mr. Minister, I expect to see some figures as to what kind of assistance handicapped people are going to get.

I think it's important that the minister and all of us recognize that now that he has drawn this very thin line between policy as an area the minister is responsible for and administration that according to the minister really isn't the minister's responsibility, we had better find out what senior citizens can expect to benefit from this piece of legislation and the next. If last week's events are an example, the minister may not know.

Mr. Speaker, I think this would be a very good opportunity for us to get the information. I can appreciate that it may not be available now, Mr. Minister. But when we get to committee, I would expect to find out the levels of assistance for various people so we have it on the record and there is no misunderstanding down the road.

MRS. CHICHAK: Mr. Speaker, I wish to make a few remarks on this Bill. I'm very pleased that we have moved forward in this area. A long-standing cry on the part of not only handicapped organizations but

individuals has been the plight they have found themselves in from the age of 18 to the time they are eligible for either the senior citizen pension or any other pension that may have been in place, generally very close to the age of senior citizens. Not only have the handicapped found themselves in a very difficult situation, but as well the parents of the many adult handicapped who must carry on the responsibility and load of maintaining lifelong assistance.

I would like to draw to the hon. minister's attention my concern and hope that after the passing of this legislation and when he is working on the details of the regulations, he will certainly bear in mind certain matters of real concern and interest to the handicapped. It is hoped the hon. minister will recognize that the handicapped as such generally suffer costs which are not normal to the average person: in medication; in transportation as a result of perhaps not having a vehicle of their own, not being able to operate one, or not having someone immediately available to look after them in this regard and having to pay extra to get to their destination whether it's for medical examinations or whatever they're required to attend for; the special diets that the handicapped often have to observe because of the nature of their handicap.

I hope there will be sufficient flexibility in the interpretation of what is a severely handicapped individual. Very often we have physical handicaps which are not visible. It's hoped that the regulations will not be so narrow that they will leave very little scope for the director and the medical examiner or doctor to authorize or indicate whether the individual qualifies for assistance.

I would also hope that there is not going to be too severe a cutback as far as the handicapped being able to gain limited employment and a minimal income; that the partial income might be given some sort of exemption and, in addition to that, if the income is over a basic exemption, there not be total elimination of assistance if that income is not up to some figure determined under the regulations.

Last, when the hon. minister is calling for nominees and applications to fill the position of director, I certainly hope the person selected will be sensitive to the plight of the handicapped and will have full understanding and recognition of the difficulties and circumstances very many of the handicapped find themselves in, and that it will not be dealt with under an iron hand, so to speak, but with sensitivity.

Thank you, Mr. Speaker.

MR. STROMBERG: Mr. Speaker, I certainly concur with the remarks by the hon. Member for Edmonton Norwood. It's with a little bit of pride that I take part in this. I recall that approximately two years ago at our annual convention in Calgary, my PC association in Camrose brought forth a motion supporting this type of Bill. It was duly voted on and passed by the convention, and taken under consideration by Executive Council. Today we are on second reading.

Perhaps I could bring one area to the minister's attention. When payments go out to the disabled party, I'm of the opinion that a number of eligible people will be very concerned if the payment is made under the name of the department of social development. I think we have a number of disabled people who have so far been on their own, who could have gone to social assistance for extra funding but are very concerned and

very hesitant to be labelled as having taken or received money which they say is welfare.

I realize the problem is: who is going to administer it. No one knows better, the disabled population of a certain district than the people working in social development offices. Perhaps they can administer it, but the cheque [should] be government of Alberta or under some other department.

The second point escapes me now. But my congratulations to the minister for bringing this Bill forward. Thank you.

MR. OMAN: Mr. Speaker, I shall be very brief. As a new member of the House, I am very pleased to see that the government is taking this step. I say that because when I was a member of city council in Calgary, I was on the original committee that made the study on transportation for the handicapped in that city. I don't take credit for initiating it by myself, but it's been of great interest to me.

It's been my political philosophy all along, Mr. Speaker, that those who can help themselves should, but certainly society should give a hand to those who cannot. It seems to me that this brings these people to a level where they can live with some integrity and without having to come through the welfare system and feel they are begging. It gives them some sense of equality with the rest of us. I think they have enough to bear in the sort of physical and mental or emotional setbacks they perhaps acquired or were born with. So I'm pleased this has happened.

I know the city of Edmonton has followed the city of Calgary in providing transportation for the handicapped. Door-to-door service turned out to be a very expensive procedure and service to our citizens, because it is so individualized. I know our municipalities that have it are bearing a fair amount of the burden. It may be that the time will come when this government will want to look at sharing some of the expenses of that transportation system.

However, in dealing with these people, I know that that opened a door of opportunity, opened new vistas, and made life enjoyable for those who for the most part were simply confined to their houses, within four walls and sometimes very humble settings. I think this is another step in the right direction: making life liveable and meaningful to people who have been born with handicaps. I support the Bill completely, Mr. Speaker.

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

HON. MEMBERS: Agreed.

MR. BOGLE: Mr. Speaker, I'd like to comment first on the remarks by the hon. Leader of the Opposition, as to proposed regulations and the mixing of policy issues with administrative issues. It may be that the hon. leader did not notice in the Bill that regulations may be made, but they must be approved by the Lieutenant Governor in Council. That clearly states that we as policy-makers in the government will be responsible for the regulations which are accepted both for this Bill and for the next Bill.

As to the type of support, I think it's evident that this is a Bill of great magnitude for Albertans. Our department officials have been working in consultation

with the directives I've received from my caucus and cabinet colleagues on the kinds of programs wanted from a policy level. Rather than rushing schedules 1 and 2, I felt it more important that we deal with those in a concise and detailed way. Mr. Speaker, when we get into Committee of the Whole, I'll certainly be prepared to talk about the levels of support we are aiming at. I had every intention of doing that.

In looking at the question of the severity of the handicap, one thing should possibly be made very clear, if it hasn't been already: there will be a determination, in the view of the director in consultation with the physician, as to whether or not a person is severely handicapped. There will not be degrees of severity. In other words, a person will either be eligible or not eligible for the assistance. The sliding scale will come into play in the kind of support, the amount of support provided. That will depend on the person's income.

The aspect raised by two of my hon. colleagues, the individual's incentive to work, to take care of himself or herself, is one we believe in very strongly. It's an aspect we've tried very hard to build into the program, so there is that continued encouragement to the individual to take care of himself or herself, so there's not a total reliance on society. We hope we can encourage people to continue doing that, as they have in the past.

The sensitivity of the director is obviously a very important aspect, Mr. Speaker. Again, I clearly acknowledge that it is part of my function as Minister of Social Services and Community Health to ensure that sensitivity in the employees within the department, who are responsible to all of us, indeed to all Albertans.

In response to one hon. member, with regard to what will be on the cheque which is issued, currently people in receipt of social assistance receive a cheque, but "social assistance" does not appear on it. Nor will any reference to the fact that this is assistance for the severely handicapped appear on this cheque. As the Minister of Social Services and Community Health, I am in no way ashamed of the fact that our department administers that and any number of other programs. I think of the many, many volunteers: we provide in excess of \$100 million a year to volunteer groups. The same type of cheque is used in all cases. So the format will be standard. But it's a point well taken, and we'll continue to follow that practice.

With those comments, Mr. Speaker, I move second reading of this Bill.

[Motion carried; Bill 28 read a second time]

Bill 29
The Social Development
Amendment Act, 1979

MR. BOGLE: Mr. Speaker, I move second reading of Bill No. 29, The Social Development Amendment Act, 1979.

As I outlined, the main purpose of this Bill is to provide additional assistance to individuals who require assistance above and beyond the maximum which may be provided under assured income to the severely handicapped. This Bill will ensure that there is consistency of form between the eligibility criteria for a handicapped benefit paid under this Act and the criteria applied under The Assured Income for the Severely Handicapped Act.

[Motion carried; Bill 29 read a second time]

head: GOVERNMENT MOTIONS
(Committee of Supply)

[Mr. Appleby in the Chair]

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

Department of
Hospitals and Medical Care

MR. CHAIRMAN: Mr. Minister, would you like to make some remarks?

MR. RUSSELL: Thank you very much, Mr. Chairman. I would like to say a couple of things.

I suppose an introductory comment would be that things don't change very much. I look across the Assembly at the hon. Leader of the Opposition. We were both in this House many years ago when a young fellow called Jim Henderson was made Minister of Health and Social Development. I remember his getting up and presenting his first set of estimates to the Assembly — the seating plan was different at that time — expounding at some length about his desire and the necessity for government to try to bring annual increases in health care costs below the 14 per cent he was submitting. So when I say things haven't changed very much, I think all governments in North America are struggling with that challenge: to try to provide decent and adequate health care services to our citizens, yet maintain some kind of reasonable control on budgets.

It is a time of high expectations in Alberta. Looking at the next year and a half or so, we're on the threshold of a period of, I think, very exciting construction in the hospital field. We know that the possibilities that exist in the medical and science fields have produced an aura of high expectations for all our citizens. At the same time, the professionals who deliver health care services are, to a degree, in a state of unrest in Alberta and other provinces.

The budget we're presenting to you today, Mr. Chairman, calls for an increase of 16.1 per cent over the forecast expenditures for the fiscal year recently ended, and somewhere in excess of \$800 million for this budget. When you add the heritage trust fund investments in health care, you're over the \$1 billion mark. So we're talking about a lot of money for a very important service.

Before I say anything more, I think it's important to look at estimate-to-estimate on page 211, particularly in the case of a couple of votes. In Vote 3, we see the estimate, \$522 million for hospital care this year, as opposed to the \$443 million forecast one year ago. That gives you some idea — and there are similar votes in the department — of the escalation and increase in these votes within a 12-month period. Mr. Chairman, in the short time I've had my present job, I must say I've been really concerned about the trend in Alberta with respect to the health field, particularly the public unawareness of health care costs.

I know hindsight is easy. I recall also the then Premier Manning making a valiant attempt to keep Alberta out of the medicare scheme. I think it's a shame

he didn't get the support of the other provinces that was necessary at that time. We find ourselves in a national health care plan that I think has probably made citizens — I was going to say "uncaring", but that isn't the proper [term], and that's why I hesitated — unaware of health care costs. They have their card that admits them to the service, universal care, portability, et cetera, and they don't really have any concept of what the doctor's services, the support lab services, or a day's stay in the hospital costs. When you're not putting across some money out of your own pocket or looking at financial statements, it's very easy to fall into that pattern.

Perhaps some of you saw the clipping in the newspaper last week about last year's \$151 national average hospital cost per day bed. I think Albertan hospital bed costs are generally higher than that. I think, too, the habits of our Alberta citizens could lead to some healthy debates. I find it a bit puzzling that some guy 20 pounds overweight, smoking two packs of cigarettes a day, and probably drinking too much liquor for his own good, will come into my office and pound a fist on the desk about having to pay a \$5 extra billing for some doctor trying to help him out of his bad habits. I've probably used an extreme example, but that sort of thing is happening.

The other thing we should be concerned about, as legislators trying to administer a good health care system for our citizens, is that the primary emphasis is on cure rather than prevention. We have a collection of health care professionals ready to provide their services with lab support. We have a hospital system second to none in Canada, with various levels of beds. But most of it is geared to treating the illness, calamity, or accident after it happens. During the next three- or four-year period, I hope we can swing that around and get people more interested in preventive medicine: safe habits, whether they're driving or walking; decent exercise; good dietary habits and; if they must have bad habits, at least practising them in moderation.

I think the utilization of our health care facilities has to cause Alberta legislators some concern. We've had some statistics on a comparative basis with other provinces, and they're not that good. Yet when you look around, Albertans don't seem to be any less healthy than Canadians from other provinces.

As I mentioned, there is the trend to want the best care whenever the opportunity arises, and you really can't blame our citizens for that. Some time ago I announced we were working on the establishment of a utilization committee, and that when we had the chairman in place I'd be ready to get that committee to work. I'm happy to say the arrangements for establishment of the hospital utilization committee were finalized last week, with the appointment of Mr. R.N. Dalby as chairman. Mr. Dalby is president of R.N. Dalby & Associates, a consulting firm involved in the energy and mineral resources field. It also serves as executive consultant to the Mitsubishi organization on matters relating to project development and trade. He's a graduate civil engineer from the University of Alberta and a past president of the Association of Professional Engineers, Geologists and Geophysicists. Some of you may recall his serving as chancellor of the University of Alberta from 1974-78. He's the only non-medical person on the committee. I took some time to read his *curriculum vitae*, because I think it's important that you understand the kind of person we wanted to chair

this committee. I'm pleased he agreed to do it.

We have representatives from the two faculties of medicine from our two universities, two doctors nominated by the College of Physicians and Surgeons of Alberta, two nominees of the Alberta Hospital Association, two nominees of the Alberta Association of Registered Nurses, and two nominees of the Alberta Medical Association. The objective of this committee is to examine the high hospitalization rate of Alberta residents, with special emphasis on the number of surgical procedures being performed in our Alberta hospitals, and to prepare, report, and make recommendations. Mr. Chairman, I expect to receive their report in one year.

If I could revert to this year, the building moratorium or temporary freeze was lifted this month. We spent a considerable amount of time, in conjunction with the Alberta Hospital Association and the Alberta Association of Architects, developing the procedures manual and the supporting bulletin for the use of hospital board members throughout the province. I hope we now have a system which will provide a good balance of local responsibility, with some control, limit, and guidelines by the province. Mr. Chairman, it's going to be necessary for boards to take a harder look at their capital requirements and projected operating requirements when they come to the province seeking approval and funding for these capital projects.

Insofar as the health care insurance situation today, looking at our most recent statistics, again I think one has to be alarmed about a trend here. The present vote we're seeking approval for calls for \$290 million for the health care insurance support program, and \$170 million of that is covered by contributions from the government of Canada. About a third of that is covered by premiums, leaving a deficit of \$120 million to be picked up by the province. Historically that deficit picked up by the province has been growing by about 18 to 20 per cent a year. Again I think that's a challenge for us as legislators to deal with. It's on the front burner right now, if I can put it that way. We'll soon be going into negotiations for the next year with our professional health care groups. Not only Alberta, but other provinces have been having a problem with this. I've been interested in the statements of the new Minister of National Health and Welfare, relating his concern about this matter.

Some of you may remember, or may have known, the late Dr. Walter MacKenzie from the University of Alberta medical school. I was reading an article he wrote about this very thing: the strange set of negotiations that go on between a free-enterprise professional group who charge for their quite specialized professional services, and a government which signs the cheques, when there's no lid on the amount of services that may be asked for. Dr. MacKenzie used a nice line when comparing the doctors' association with the government. He likened it to the mating dance between elephants and chickens: it's lots of fun for the elephants, but kind of dangerous for the chickens.

With respect to the universal aspect of our health care plans, Mr. Chairman, I have to close these introductory remarks by again asking some questions. Our concern is a broad range of services and supporting facilities for unlimited use by our citizens, with a cost-sharing responsibility by two governments, Alberta and Canada, some contribution by way of premiums, but really no local responsibility for building or for operating.

In the coming year I think we're going to have to address ourselves to whether hospital boards ought to be elected and whether we should go back to the system where they requisition, either by way of a levy on the local taxpayer — a system that was removed not too many years ago — or by charging a *per diem* rate to the people who use the facilities. I think the question of allowing doctors to extra bill will be solved in the coming months.

I wanted to put those concerns to members before we get into these estimates. Thank you very much.

MR. R. CLARK: Mr. Chairman, in making some general statements before we get involved in the dollars of the estimates, I was interested in the hon. minister's opening comments that things don't change very much; he used the example of the former Minister of Health, Mr. Henderson. Mr. Minister, I hope things do change a great deal in your department, and that you weren't saying today, with velvet gloves, some of the same things your predecessor said.

Let me remind the hon. minister that when his predecessor took the portfolio more than four years ago, the rallying cry at that time the department was made, was that there was going to be some effort to clamp the lid on hospital and health costs. At that time we heard statements from the then minister, Mr. Minieley, about Alberta's comparisons across Canada and across North America. Today I seem to hear the same kinds of things from the minister, only with a velvet glove rather than a sledge hammer.

I say this sincerely: I have considerable regard for the Minister of Hospitals and Medical Care. I know he's an able administrator. We also know that the minister can be very firm, when he feels he has to be. As an example of that, all we have to do is recall the Red Deer dam incident.

Mr. Minister, I'd like to make three points. First of all, in the early portion of his remarks the minister talked about prevention. I think one of the finest things he as a new minister could do is call together some sort of Alberta conference of people interested in this whole area of prevention, not only people in the health care professions but many others.

I think an excellent basis for that to start is the federal task force of some years ago, when the federal government was very keen on this whole area of prevention. I frankly don't think they've done as much as they may have. My information is that Alberta has perhaps done less than most other provinces in Canada, certainly much less than many of the provinces in central Canada. I wouldn't want to consider them as examples to follow, but in this case I believe they have made a number of good initiatives in the area of prevention.

Mr. Minister, I recommend that early in the ministry a major effort be made in this area of prevention. It isn't going to show a quick return, nevertheless I think the effort would be worth while. And the federal task force is something to be looked at.

The second area I want to discuss, Mr. Chairman, is the future of hospital boards. I noted the minister, with his velvet glove, toward the end of his comments asked: should we elect hospital boards, which is at least laying it on the table and saying, are we going to continue to have locally elected hospital boards in this province, or aren't we?

When I saw the first draft of this — it wasn't nearly

as thick a cover at that time — there was no question in my mind that hospital boards had become totally redundant, in the view of the deputy minister and his staff in the Department of Hospitals and Medical Care. Because in its initial draft this manual, which I unfortunately saw a few days after the provincial election, was in my judgment an attempt to take all the planning and any authority left with hospital boards and basically plant it in the hands of the bureaucracy in the Department of Hospitals and Medical Care.

My reaction after a very quick look at this document is that the position of hospital boards has been upgraded somewhat from that first draft. But, Mr. Minister, I think it would be a sad day for health care in Alberta if we were not in a position of having either locally elected or locally appointed hospital boards.

Mr. Minister, in the course of your remarks you drew the attention of hon. members to Vote 3, financial assistance for active care. Members will recall that last year we spent a couple or three days going over the estimates. The then minister said a few million dollars in the estimates would meet the needs for hospital boards. He maintained that there was enough money in those estimates to deal with all the deficits. The Legislature closed down — like this session is going to sometime next week — and it wasn't more than two to three weeks after, that close to a \$20 million special warrant went through. I hope these estimates are a more accurate reflection of what is really going to be needed, Mr. Minister, because last year the estimates this Assembly was asked to approve simply didn't meet the needs.

The reason I raise this at the time we talk about local hospital boards, is that as uncomfortable as it was for the government, a few people on local hospital boards across this province were prepared to stand up and speak out. I think some 30 or 40 boards finally made their way to the minister's office and got in. Appeals were heard, and additional money was allocated. If my information is right, though, a high percentage of hospital boards still have deficits from last year. And the projection is that a number of boards will have deficits this year.

Mr. Minister, the only group that stands between the bureaucracy of the department and the people's health care system in this province is local hospital boards. The minister made reference to the question of local hospital boards no longer requisitioning money. I need not remind the minister which government took that responsibility away from the government — in fact when the present minister was the Minister of Municipal Affairs. I think it would be totally wrong for us to say that because local hospital boards don't take money through local taxes by a local levy, local hospital boards should not be elected or appointed.

Furthermore, Mr. Minister, one of the trends happening on some occasions in the minister's department is that when voluntary organizations make presentations to hospitals, some hospital boards — I haven't got the names with me, but I could give examples to the minister — then have to go to the department to get approval of whether they can accept the gift. The department argues that if we don't do that, some additional funds may be encumbered by the hospital board. But, Mr. Minister, if we're aiming at trying to have a public with more knowledge about the health care system, and we're going to stop voluntary organizations from making gifts to some hospitals, that's de-

feating the whole purpose of having volunteer groups involved with some hospitals in the form of auxiliaries, or whatever.

Just to conclude my comments on the second area, Mr. Minister, I think it would be a black day for this province if we chose to move away from elected or appointed — I'm thinking of municipally appointed — hospital boards. To be very direct about it, I'd like to see us go to a situation where all hospital board members are elected. I believe the option is presently in the legislation for them to be either locally elected, or appointed by local governments; that is, excluding the boards in Edmonton and Calgary, places like the Foothills.

The third point I'd like to make, Mr. Minister, deals with the question of capital projects. I'm not going to try to use the kind of velvet glove the minister used during his comments. It is disgraceful that some hospitals in this province have been promised at least three, four, and five times. I cite Grande Prairie as the best example I can think of. I cite the High River hospital. We can go to the situation at the Fort Vermilion hospital which, to be very kind, is a firebox. It's really in bad, bad shape.

But commitments have been made over the past number of years, Mr. Minister, not by the present minister but by the government, about building hospitals, especially in rural areas across this province, and they simply haven't been met. It isn't good enough to come along now and say we've got to stop the rising expectations we have in the health field, when I would venture there must be at least 20 commitments for new facilities to hospital boards in rural Alberta.

I'm sure the minister is well aware of the High River situation. I must say I have a lot of sympathy for that board. They've been on and off; they've been frozen; they've been in a holding pattern. I guess they're now in a cutting pattern of \$1 million. One can look at Grande Prairie. Ponoka is another good example: new facilities were going to be on the way, and the commitment hasn't been met. A commitment was made in my own riding, in Olds. When we get further on in the estimates, I can give the minister other examples.

But, Mr. Minister, on one hand this government can't talk about people having too great expectations as far as health care and hospitals are concerned, and on the other hand not live up to commitments already made and, once a commitment is made, back off or try to back off. Surely when the Premier made his commitment in Grande Prairie in the 1975 election campaign, when he said the money is in the '75 budget, you can't really blame the people in Grande Prairie for increasing their expectations. When we get further on in the estimates, I'll have more to say in that area.

In conclusion, Mr. Minister, I believe there is a real need in the area of prevention, and on a long-term basis, not during the time of the minister or myself or this Assembly. I think we can make some significant strides in the long term. Someplace in this government, be it in the minister's department or in Education, I'd like to see a far greater emphasis on physical fitness.

SOME HON. MEMBERS: Agreed.

MR. R. CLARK: Secondly, on the question of hospital boards, I think it would be a black day for Alberta if we moved away from the opportunity for elected hospital

boards. Thirdly, outstanding across the province now are what I believe to be a sizable number of commitments for renovation, improvement, and new hospital construction. In my judgment, Mr. Minister, you're stuck with those commitments. I hope that in a year from now we don't hear, with the velvet glove again, that next year is going to be a big year for capital projects. Frankly, I'm sure I could go back to the last four years' estimates and find a similar comment by the minister. I don't hold this minister responsible for his predecessor. But things do change, Mr. Minister. I hope this is the government department that changes most of all in the course of the four years we're here.

MR. NOTLEY: Mr. Chairman, the Leader of the Opposition raised the question of hospital construction in the province, and mentioned Fort Vermilion hospital. I would certainly ask the minister, when he responds, to advise members of the committee exactly where things now stand with the Fort Vermilion hospital. It's my understanding there was a meeting several days ago between officials of the department and the board, which handles not only Fort Vermilion hospital but also High Level.

Mr. Chairman, the other day at the Wop May celebration in Fort Vermilion, the local priest gave the major speech of the afternoon. I almost wish I could have had it in writing to table in the Assembly. He stood up and said they're very fortunate to have a doctor in Fort Vermilion who hails, I believe, from either Nigeria or Ghana, a very able practitioner. But in addressing the gathering, Father Plouffe made the point that this particular doctor is so appalled at conditions in the Fort Vermilion hospital that he finds it more primitive and inadequate than the conditions he left in the third world.

I don't want to belabor the point, Mr. Minister, but having been in Fort Vermilion last week, having travelled by the hospital, I think the minister should know. There was quite a debate last summer when the Leader of the Opposition raised this question of fire hazards. The then minister said: no, no; no problem with fire hazards. I defy any member of this House go through the present Fort Vermilion hospital and say there is no fire hazard.

Let me tell you one other thing. There are three storeys in the Fort Vermilion hospital. A number of people work on the third floor. For the last three weeks the fire escape has been disconnected. There was some problem with the sewer, so they took the fire escape away. So if fire broke out, the people on the third floor — they're pretty hardy souls in Fort Vermilion; I'm sure they'd be able to survive the jump. But you know, the fire escape was literally pulled away for three weeks. Just before the Wop May celebration it was put back. This is the kind of situation that has existed in that community.

Mr. Minister, a lot of people are extremely upset because they have been promised a hospital for many years. The negotiations on that hospital go back more than 10 years. We have a hospital in the Fort Vermilion community which services Fort Vermilion, a hamlet of 900 people; the settlements south; the La Crete area, with probably another 1,200 to 1,500 people; then the reservations. Probably 6,000 or 7,000 people in that area see Fort Vermilion as their hospital. Mr. Minister, with greatest respect to the department, it simply isn't adequate. It's in just scandalous condition.

Now, I realize the minister can say there are negotiations to replace it. But I have to raise this, because I remember the rather pious statements last summer by the former minister that there were no fire hazards in any hospitals in Alberta. Well, that minister couldn't have gone through Fort Vermilion. There isn't a person employed on that staff, or the two medical practitioners now in the area, not a person who works in that hospital who doesn't fear what would happen on a January evening if somebody dropped a match, how they would get people out of that hospital. I think that hospital is a matter of sufficient concern in the area that, frankly, I'd like to see the minister respond formally with respect to it.

Mr. Minister, I want to deal with the larger question of northern health needs. I raised this during my comments in the Speech from the Throne debate; now we're in a position to discuss it while the minister is here. When I went into the Fort Vermilion clinic last summer, there was just one doctor. It was a most incredible scene. Most of us as politicians would relish a public meeting with the number of people who were jammed in that waiting room. You had one very busy doctor. Just before the provincial election this spring, the *Edmonton Journal* had a number of headline stories about deaths on the Assumption reserve. I talked to several doctors in High Level about the problem. They say the problem is that they are understaffed in dealing with northern health needs. They made the point that despite their best efforts, some of these communities have less than satisfactory delivery of health in Alberta today.

I think the figures one can cite from a survey done at the University of Alberta, showing that the infant mortality rate on the Assumption reserve is seven times that of the city of Edmonton, and in Fort Macleod 5.5 times that of the city of Edmonton, illustrate a very serious problem. Mr. Chairman, it's not a problem I'm raising in a vacuum; it has been brought to my attention very dramatically by doctors in that region: how in heaven's name are we going to be able to do the job?

Mr. Minister, that leads me to the whole question of practitioners' incomes. I think it's probably necessary to look at some form of incentive to get people to practice medicine in the northern regions of the province. Obviously one incentive in Fort Vermilion is to build a decent hospital. I know one of the doctors who is now in Fort Vermilion was in Fairview. Because of the conditions in that hospital, he's not sure how long he can stay in Fort Vermilion. That will be a step in the right direction.

But even in the community of High Level, where a new hospital has been constructed, we still have the problem of keeping competent medical practitioners in these northern regions. That's true to a lesser extent even in the south Peace region, where we have feast and famine: one year we may have five or six doctors in a town the size of Fairview; the next year we may have two. That would be true in most communities in the Peace River country.

Practitioners have argued the case to me that we're going to have to look at some kind of incentive for people to practise in these regions. It's much easier, much more comfortable, and much less demanding to practise in a clinic in Edmonton or Calgary than to carry on the task, particularly in these communities, where for six months or a year there may be one or two

doctors. They are tremendously overworked. The people in northern Alberta owe a very substantial debt to the vast majority of medical practitioners who have carried on their work in northern regions. I hear people say we have too many doctors in the city of Edmonton. I don't know. But I know nobody can say we have too many doctors on average in most areas of northern Alberta. From a policy point of view, it seems to me that we're going to have to look at how we can get people in these areas and keep them there for a reasonable time.

Mr. Chairman, I'd like to deal with several other questions related to this subject of health care and hospitals. According to its latest newsletter, the Alberta Hospital Association has surveyed 86 hospitals: 64 per cent reported a deficit last year — the Leader of the Opposition already referred to that situation — and fully 74 per cent project deficits for the present year. That really raises the question of what we're doing in the estimates. I agree with the Leader of the Opposition. Last year the opposition raised the question: are we going to have to vote more money so these deficits can be covered? The minister at that time said, no. We got into a discussion of what they would be. The suggestion was that it really wouldn't be anything like — I believe the Member for Little Bow talked about \$15 or \$16 million. That was pooh-poohed. Way too high. Then it turned out to be closer to \$20 million, if my memory serves me right.

With the kind of information the Alberta Hospital Association is putting out — and I assume it's correct — it would seem to me that we're going to have to allocate more money than you have in your estimates. Are we looking at \$2 million, \$10 million, or \$20 million? What are we going to see as a special warrant this year? Is there not some way of dealing with this question of deficits so we don't have to go through the process of very substantial special warrants? I could see \$1 million or \$2 million, Mr. Minister. But the range of \$20 million we saw last year, which is a very substantial portion of the budget, indicates to me some problem in the department's budgeting process.

Mr. Chairman, I want to deal with two other issues. When he introduced his estimates, the minister talked about prevention. I certainly agree that that should be the objective of any health system. That, of course, was a basic philosophy behind the 1964 Hall report, which is the present basis of the so-called medicare system. I should point out though, Mr. Chairman, that hospitalization, or at least a form of hospitalization, long predated Mr. Justice Hall. If my memory serves me right, we've had hospitalization in this province back to the days of the old Farmers' government. The first hospitalization program was introduced in this province, where the dollar-a-day system was enacted. If my memory is correct, Alberta as a province was the first place in Canada to actually pioneer a hospitalization program *per se*. That is more than 40 years ago.

But certainly the emphasis has to be on prevention. If the emphasis is going to be on prevention, I'm not sure we can allow this concept of balance billing. I know the argument of some is that if a person has to pay \$2, \$5, or \$10, whatever the case may be, he'll have a greater awareness of the cost of supplying medical services.

It's the whole argument we saw in Saskatchewan a number of years ago when the former government enacted deterrent fees. The suggestion was that if de-

terrent fees were introduced, it would make people more cognizant of the costs and they wouldn't abuse the system. The only comment I can make on that, Mr. Minister, is that in talking to people in the present Saskatchewan government, there is no objective information that deterrent fees in fact altered utilization of the system.

Therefore, what happens if we have balance billing or a form of deterrent fee, call it what you will? Does that not inhibit the person who should be seeing a medical practitioner from doing so? It seems to me that's the counterargument. We're talking about prevention. We want to get people to see the doctor soon enough so there can be prevention, rather than the more expensive curative treatment frequently required.

Mr. Minister, along with that — and I know the Member for Edmonton Kingsway raised this in 1972 — I believe we have to look at community clinics as a way of delivering health, placing the emphasis on prevention, more often than not at a lower cost than expensive active-treatment hospitals. The Member for Edmonton Kingsway has continually promoted that point of view, and I think he's accurate.

Let me also say one other thing about medical practitioners' incomes. After reading the report of the medical association and talking to a number of doctors, I happen to think they have a pretty sound argument when it comes to the costs of their operation. I must confess I was rather interested in a set of answers the minister gave shortly after the Legislature reconvened, that we would look at a new system of fees that would separate the professional fee from some of the average operating costs. In my judgment, the AMA has made some pretty solid arguments that operating costs — whether a telephone bill, power bill, or the cost of equipment — have in fact gone up substantially faster than the fee schedule. It seems to me if that is the case, we have to take a look at a differential fee structure.

Mr. Chairman, the Leader of the Opposition raised the suggestion of some kind of overall conference on health, with the emphasis on prevention. I agree with that principle, but I wonder if it wouldn't be better to adopt the proposal of the Alberta Medical Association, that we take a look at the entire system. After all, it was 1969; medicare has been in operation now for 10 years. It seems to me it might be appropriate to undertake a comprehensive review of health care in this province, not through a caucus committee, not even through an internal review, but a review that would include people from the broad public — the medical profession, obviously — and look at the entire question of health care: the implications of the 1964 Hall commission report, where we are today, and the costs. I wouldn't want to conjecture what kind of recommendations they would make, but it seems to me that would put the debate in a more positive way in the future.

Finally, Mr. Chairman, I would be interested in the minister's outlining to the Assembly where he stands on the hint the former minister gave on a provincial ambulance scheme. That was never formally announced in the Legislature, but we had a motion in this House last spring. Several government as well as opposition members have discussed it, and if my memory serves me right, we did have the suggestion last fall that the government was looking at a provincial ambulance scheme. I must confess, I expected the thing to be announced in that magic 28-day period, or

in the few days before the 28 days were announced, and I kept waiting in expectation. I guess it got lost in the shuffle someplace — not that they needed to, the election results being what they were. I think it would be interesting, Mr. Chairman, to ask the minister to bring us up to date on where things stand as far as the government's thoughts on a provincial ambulance scheme.

MR. MUSGREAVE: Mr. Chairman, I'd like to make a few brief comments to the minister. Listening to the remarks this afternoon, particularly the hon. Leader of the Opposition, I see the dilemma we're in as politicians. On one hand, he made a strong plea for prevention, which I support wholeheartedly, yet he ended up saying we have to build more facilities. As politicians, it's great for us to support that. It's very dull, unimaginative, and doesn't get many votes when you go around preaching to people what they should do for their health.

But I am concerned. We have projected spending, I would say, upwards of \$1 billion within the next five to 10 years. That's a huge amount of money, Mr. Chairman. I'm concerned that the occupancy of hospitals in rural areas is running from 50 per cent to a maximum of 60 per cent. If you talk to any medical person, he will tell you the great difficulty we have getting medical personnel to work in rural areas. I know the hon. Member for Spirit River-Fairview said we should do something about it. We're probably going to have to offer them three or four times the salary they could get in the city.

I'm concerned, Mr. Chairman, about empire building in the cities. When you put a \$75 million hospital in the city of Calgary, for example, you could build 15, \$5 million hospitals throughout rural Alberta.

I'm very pleased that the minister has said he's going to do something about long-term preventive measures. All you have to do is look at the minister to see he's very trim, very fit, and doesn't smoke. So he has lots of pluses going for him.

AN HON. MEMBER: No bad habits.

MR. MUSGREAVE: But, Mr. Chairman, I want to ask the minister — and I know it's a difficult thing to promise — will he include substantial money in next year's budget to investigate the psychology of why we don't care for ourselves? Medical people have a vested interest in not pursuing this program because they, particularly the specialists, are primarily looking at curing the results of our wayward life. It's all right to say we have to be concerned about prevention, but I'd like to know if he is concerned enough that he's going to try to put some money into ways and means of promoting better health in our province.

On the financial side, Mr. Chairman, maybe we should be thinking of deterrent fees and better management of our facilities. For example, is it reasonable to have banks in our big city hospitals? Is it reasonable that the administration of the hospitals has to be done within the hospital buildings? Surely with our transportation systems and technology, they could be in office buildings that are much cheaper to build.

As a former member of a large hospital in the city of Calgary, another area that always concerned me was that if you took the number of hospital beds, let's say in a hospital running between 750 to 1,000, you'd find

hospital units in the province that would have a staff of 300 or 400 people more than others. Surely we should be looking at this kind of difference.

Another concern I had was the planning councils. They got to be nothing more than lobby groups. You could always tell when a particular issue was coming up that would concern a major hospital. If the chairman of the board was there, you knew he was going to lobby hard for his particular point of view. If he sent a delegate in his place, you knew he wasn't concerned with that issue. It's all very well to have brain-scanning equipment, for example, but can we afford it in the numbers we are buying today? I feel, too, that the minister should be able to say to the area planning councils, we're not going to put laundries in every hospital being built. We should be looking at centralized laundries.

Mr. Chairman, I too am concerned about the matter of elected boards, raised by the Leader of the Opposition. I would like to debate that issue at greater length, because I can see pluses and minuses on both sides. I know in many ways, if you do have an elected board, the important thing . . .

I'm pausing, Mr. Chairman, because I have new glasses and don't know how to read little notes that are put in front of me. I would like to use a little comment of the hon. colleague on my right. He says health professionals are emphasizing prevention in their teaching at schools, and he emphasizes that they should. I'm glad they are. But I think the dental profession has been advocating fluoridation of water supplies, and people have been saying it's a dirty communist plot; obviously no dentist is going to advocate something that is going to put him out of business, so something has to be wrong with it. Unfortunately, medical people are not the ones who have to promote better health, Mr. Minister.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Do any other hon. members wish to comment before the minister responds?

MR. BATIUK: Mr. Chairman, just a few comments. In listening to the other members, I too would like to say the Minister of Hospitals and Medical care is going to do a good job. As was mentioned, I know he is quite firm, but is not made of rock; so he is flexible.

But it really bothered me when the Leader of the Opposition mentioned that there is such a demand, such a need for hospitals and that we got so far behind. In my home town, when I was on the hospital board, our particular concern was that buildings boards, along with the fire commissioner, inspected the hospital and made a recommendation either to repair the hospital up to standard or shut it down. At that time, in 1968, the estimated cost of renovating that hospital to standard was \$200,000; it was built almost 50 years previously for a total of \$28,000. The hospital commission felt that in no way could they justify spending \$200,000 to upgrade a hospital already half a century old, and that we should be looking for a new hospital. Since 1968 there hadn't been a budge from the hospital commission to provide funds for upgrading the hospital or to approve a new one.

This came about during the time of our government, and I was disappointed it had taken that long. But in checking with the hospital commission, they had made it very clear that it's a 10-year process from

when the application comes. At present, it is among hospitals being built, and should be officially opened sometime in late August or September. So it took about six years for our government to make a commitment, and that hospital is being done.

I think the big problem was the previous administration. They got so behind in the construction of these health facilities, not only in Mundare but across the province. That's why there is such a demand. When you look at the estimates today, you see they're going to exceed \$1 billion. With money from the heritage trust fund for research, and so forth, that's over a quarter of the budget of this province. Are the people getting sick? Are they worse here than any other place? True enough, we'll have to provide more because of the buoyancy of this province. People are coming into this province especially so they can derive benefits.

A short while ago I was talking to one of my colleagues who was in the United States. He was taken to emergency, and nobody was waiting there. The doctors were sitting and waiting for somebody to come. If you go anyplace in this province, to Edmonton, 100 may be waiting. I think the difference is because our funding of hospitals makes it so for anybody with anything at all. Across the border, with no health plan or anything, the cost of hospitals and medical services is such that if a person isn't making a really lucrative salary, he can't see a doctor.

As I say, I'm quite happy with the stand our government has taken. But, Mr. Minister, with people now living to a riper age, there are more and more senior citizens, and the time has come for provision to be made for them. In my own constituency we have senior citizen accommodation, with good health benefits, and so forth. These senior citizens are living to riper ages, and the time is coming when they can no longer stay in a senior citizens' lodge; they have to go further. I can see that we'll have to look strongly at providing more accommodation for nursing home patients right in my own constituency. Both in Vegreville and in Two Hills there is a waiting list that would probably accommodate twice as many as there are now. It's unfortunate that these people have no place to go. I think this is one area that will have to be given a really good look, because that is the next place after the senior citizens' lodge.

Thank you, Mr. Minister.

MR. BORSTAD: Mr. Chairman, I appreciate the attention the opposition is giving to Grande Prairie hospital. But I would like to make a couple of comments.

I would agree with some of the comments made by the Member for Spirit River-Fairview about hospital conditions in some areas in the north and about shortages of doctors. Something will have to be done before too long to keep them in the area, either subsidizing them or something. Doctors can actually make more money in the city, so they leave some of these smaller centres to move to Edmonton or other areas. Therefore, some of the smaller areas — Fort Vermilion, as you've mentioned — are having problems.

Getting back to the Grande Prairie hospital, I have had many discussions with the minister in the last few weeks. I'm really pleased at the movement toward building this hospital. I think it's completely on track now. I believe the tenders will be awarded on schedule. And under the new construction manager hired by the

Grande Prairie hospital, construction will move ahead very rapidly. I wanted to make those comments because I felt I was getting picked on here.

MR. R. CLARK: Anybody else been picked on?

MR. CHAIRMAN: Are there any other comments?

MR. RUSSELL: Thank you, Mr. Chairman. I think I should respond to some of the very good comments by hon. members. It appears that all quarters of the House are in agreement on better programs of prevention. I don't know how we'll do it, but we'll sure take a stab at it.

I think the hon. Leader of the Opposition and I are in agreement with respect to autonomous hospital boards. He referred to the planning manual. I have to say that I shared his concern when I saw draft one, because it did the things he said it did. Following the election, I devoted a great deal of attention and time to substantially rewriting some very important parts. Major changes have been made. It puts responsibility back in the hands of the hospital board in two senses: it means they have the right to do things, but they also have the moral obligation to do it, within reasonable guidelines. That's what I was referring to when I talked about requisitioning and local hospital boards.

It's quite true that I was a member of the government that enthusiastically tried to take the high costs of these social programs oriented toward people off the property tax base. I think it was the right thing to do. However, a few years later I must admit to some dismay at the way some — not all, but a few — hospital boards have reacted to that unlimited, 100 per cent financing by the provincial government, with the cost sharing by the federal government that does come in. I'm certainly open to suggestions as to how we might get that sense of responsibility, for both administrative and health care programs as well as the dollar aspect of it.

The Leader of the Opposition also referred to the problems we've been having with capital projects in some parts of the province. I must say, Mr. Chairman, I've shared his concern. I still have memories of being a practising architect in the private sector and the way things happened. The frustration of getting approval through various levels of bureaucracy is something I'm not happy with either. I've met with a few hospital boards that have told me they've been working on their plans since '69 or '71 or '73. It's discouraging.

We're trying to shake them loose. They've all had letters now, following their manuals and bulletins, to say: if you've got a project out there, get it in. We sent a second letter saying, if your project looks like it's going to affect the next fiscal year, please let us have it by August 15, so we can start some fiscal planning for next year. So I'm optimistic. I think we can improve that situation, because the desire by both groups involved to get these things under way is there.

The Leader of the Opposition referred to a couple of specific projects. He mentioned Grande Prairie and High River. In both cases I'm pleased to report on the co-operation and understanding that the boards exhibited when we were able to define our guidelines more clearly.

I'd like to deal specifically with High River for a moment, because it was one of the first put before me after the election. It didn't matter if we used our cost estimates. Alberta's standards on a province-wide basis,

the architect's estimates, or an independent cost consultant's estimates; the thing was simply costing too much. Had the government and the board bowed to local pressures, which were pretty vocal, we'd probably have built a building that in the initial phase would have cost too much and, secondly, would have cost more to run than it should have. I think the \$1 million cut we put in the budget was reasonable. It was done with care and attention. Once the board saw we were firm and had the data to support it, they reacted very willingly and co-operatively.

In a way, the same thing happened with Grande Prairie. There were protracted public discussions about whether or not there should be a parking structure, how much of the lawns and paving the province should pay for, whether the extended care beds should be built to the more expensive open level or at the level of the program that had been approved. I guess if a government wanted to, it could bow to public pressures and say yes to all these requests. But I don't think anybody in this Assembly would want us to do that. Again, when we went through the thing and took the time to respond to those requests one by one and came out with our decisions and guidelines, which are fair and equitable among all hospital boards around the province, they reacted very positively.

You heard the hon. Member for Grande Prairie say they're doing very well. I'm delighted at the progress they made. I visited with them last week. They have a fellow on staff who, I think, really has their project under way. We had a good report from them.

I was interested in the problem the hon. Member for Spirit River-Fairview put about northern health care practitioners and facilities. The problem is severe. I don't think it's limited to northern Alberta, although there is a special problem relating to geography and sparsity of population. But quite frankly, we have this particular problem of getting doctors to practise in rural Alberta, which is common throughout the province from the 49th parallel right up to the top.

I don't know what we're going to do about it. I've talked to some of the boards. They have active recruitment campaigns. In some communities, even with what I think are attractive community facilities and good hospital facilities, the boards still can't get the people. So we have to find a way, and it's a challenge, to get people to practise in these rural areas. I've only had very preliminary discussions on this with the College of Physicians and Surgeons, but there may be something we can do.

The hon. member did bring forward a very good point. He mentioned that perhaps there are too many doctors in some other parts of the province. I don't think so. I think our doctor/patient ratios are good. We'd like to keep good doctors here.

I want to skip now to the remarks by the hon. Member for Vegreville. He mentioned very quickly the medical research program that will be announced at the fall sittings of the Legislature. That's a very substantial and major achievement, even on a comparative world basis, I think, for any government to commit to medical and scientific research. We're trying to get the support stuff in place that will make it attractive for a medical and scientific community to locate in Alberta, do things, and support the profession here.

The Member for Spirit River-Fairview talked about a hint of a provincial ambulance scheme. He'll be hearing more hints during the coming months, because

there was a pretty good file on it when I assumed office, and I think I've kept it going. We've had a chance to review the air ambulance program. It's been very effective and, I think, has probably saved a number of lives. Complementing it with a province-wide ground ambulance program will be more of a challenge, but we've made good progress on that.

I think I've responded to the major points that were raised, Mr. Chairman.

MR. R. CLARK: Mr. Minister, can you give us some indication where we stand as far as the deficits of hospital boards last year? Albeit in rather general terms, what did that amount to? Has the department picked it up? I am advised that hospital boards can file for appeals on their budgets up to — is it December of this year? When we see something like 74 per cent of hospitals surveyed looking at a deficit for this year, where do we sit as far as these deficits are concerned?

MR. RUSSELL: I don't know, Mr. Chairman. I'll try to get hard, statistical data for the members before we finish the estimates.

Last year, some money was left on the table out of that vote and the special warrant that was passed. Ironically enough there's also the odd hospital, albeit not many, that actually shows a surplus. There comes a dilemma, I guess. If the hospitals expect us — and they do — to pick up their deficits, I think we should also take back their surpluses. Of course, they don't like both sides of the argument, and I can appreciate why.

There again, you've put your finger on an important conundrum: if the province doesn't pick up the deficit, who does? Again, I get back to what I said in my opening statements. If a board is not elected, doesn't have financial responsibility for raising any money, doesn't have to go to the public to seek re-election for good stewardship, and knows that somebody else in another city is going to sign something that picks up a deficit, there's very little incentive in a system like that to maintain good, sound financial management in all cases. This is the dilemma in front of us. I don't want to see a heavy burden of hospital costs being placed back on the municipal government by way of property taxation. That was removed, and I think it was wrong that it was there. But I think we have to look for some other way, whether it's by making these hospital boards elected boards, or by giving them some right to install a users fee or gain money from the local community in some way. Maybe it has to be a minor requisition on the property tax. We're going to be asking members to review that question of local financial responsibility.

Quite frankly, I'm disappointed in the arguments some of the boards have put in front of me. We had a national meeting of the Canadian Hospital Association in St. John's, Newfoundland. That's a long way from Alberta. I was disappointed at the reports I got about the incredible number of Alberta delegates who found it necessary to go to that convention. When a board comes to me and says it doesn't have enough money for this, that, or the other thing, and the entire board finds it necessary to go to a convention in St. John's, Newfoundland — and in some cases continues on to Oslo for an international convention — I have to wonder where their priorities lie at local decision-making.

MR. R. CLARK: I can agree with the minister. But not trying to be the advocate of the boards, when they hear of ministers going to Australia to check out the flying doctor kind of thing and trips to Turkey for a variety of purposes, they likely become just as upset with regard to former ministers as the present minister does with present boards. There's something to be said on both sides of the argument, Mr. Minister.

Just one other comment: we have referral hospitals like the Foothills in Calgary, the University and others in Edmonton, as compared to local hospitals, which look after 80 to 85 per cent of the daily needs of the people in the areas they serve. From the comments you're making, Mr. Minister, I take it the government is looking very seriously at the idea of taking a hospital like the Foothills and saying, should we have an elected board? The minister's nod up and down must mean yes. The same thing as far as the University Hospital is concerned, and the General in Calgary could be put somewhat in the same category. I see those hospitals as the major referral centres of the province, as opposed to other hospitals in rural parts of the province that handle close to 85 per cent of the daily health problems people get into. But, Mr. Minister, are you seriously looking at the idea of elected boards for places like the Foothills, and the University in Edmonton?

MR. RUSSELL: Well, it's just an option that has to be considered. I'm trying to expound on the theme of more local responsibility, and I mean that in the actual day to day operations of the hospital. It's not meant as a criticism of anybody sitting on those boards, because I know most of the people in the two cases you mentioned. They're successful business people in their own communities. But I don't kid myself about the politics of hospital care. I've been there. After all, the boards rely on the advice of some pretty highly paid and career-minded administrators. It's a very select occupation. There's no question that there are intense jealousies between hospitals and, within hospitals, between different departments. I'm not saying that in a critical way; it's merely the nature of the animal we're dealing with.

I guess other politicians all over the world are making or have recently made the kind of statements I'm making. Again I refer you to that recent article in *TIME* magazine, which was such a good overview of the thing. We have a system here which calls for the best of everything: no limitations on expense, usage, or entry into the system; and cost sharing by two governments, federal and provincial, based on the expenses and the Bill in front of us. Nobody would run a business like that. There's a limit to the amount of time any government can run a department like that. If we can get a sharing of responsibility at the local hospital board, by way of perhaps seeking the support of their local electors or perhaps, being responsible for finding some of the money — those are two of the obvious alternatives in front of us. It's something I want to fly a few kites on during the next year or so, to see what reaction we get from Albertans.

MR. NOTLEY: Mr. Chairman, I have three further questions. First of all, Mr. Minister, with respect to the capital construction, what emphasis is being placed on projects that are essentially renovation, as opposed to substitute hospitals? For example, I think of the Be-

rwyn hospital, which services both my constituency and that of the hon. Minister of Tourism and Small Business. The local board there doesn't have the ambitious designs for a brand-new hospital. They've made a number of fairly practical proposals for renovation of the existing facility that I think would be a much better investment for us than to build a new hospital in Berwyn. I think it's an example of restraint on the part of the board. My question really is: what emphasis is the department placing on renovation proposals, where those are in fact practical? I know there's no point in talking about renovation in some hospitals. There's no point talking about renovation of the Fort Vermilion hospital. But some buildings are actually in quite good shape and could be renovated quite successfully. It seems to me that's an area we have to look at. I'd like to know what emphasis the department is placing upon renovation in respect to some of these rural proposals.

The second question also flows from my meeting with the Berwyn hospital board. One day last winter, just before the election — I'm not suggesting the election and this particular day had any coincidence — the administrator looked up, a truck drove into the yard, and there was a brand-new, unsolicited incinerator, which I gather has been provided for hospitals throughout the province. Now we can talk about financial restraint and everything else, but the people on the Berwyn board were rather puzzled, because there had been no contact with health authorities. As far as they were concerned, nothing was wrong with their incinerator. They didn't look a gift horse in the mouth; there was a new incinerator. But there was no consultation with the board beforehand. All of a sudden a truck drives in with the incinerator.

From talking to people from the hospital association, I gather other hospitals were also the beneficiaries of this new thrust, if one might call it that. I don't raise that entirely in a teasing sense, because some of the board members were puzzled by it. There had been no prior consultation with the board at least, or even the administrator. All of a sudden they found an incinerator in the back yard.

Mr. Chairman, I'm not saying my final point is a more important one, but I would ask the minister if he could briefly outline where things stand. I suppose we'll be in a position to get into this in a more detailed way when the heritage trust fund [committee] examines the trust fund investments this year. We're looking at this \$300 million medical research fund. It's a very exciting concept. I don't think any of us in this House would deny the concept, and that it could be a very useful thing for Alberta. But it has been brought to my attention by some people at the university who are skilled in the kind of politics the minister referred to — and we all know there are medical profession politics. They said, if you're going to get into this field, it is very inviting to try to get several big names, people who are world-renowned. But they've done whatever it is that's made them famous, and they're going to be coasting. Watch that very carefully. I raise that not because I pretend to be in any position to make a judgment on that, but in setting out the guidelines for this research fund, I at least would be interested in some indication as to how the government proposes to move. I know we could discuss it in more detail in the heritage trust fund committee this fall. But with the project having as

much potential for good as it does, it seems to me that the ground rules for setting it up are going to be crucially important.

MR. HYLAND: Thank you, Mr. Chairman. [interjections] It sounds like I have some friends on the other side of the House.

AN HON. MEMBER: They want to go for dinner.

MR. HYLAND: Mr. Chairman, I'd like to make a few comments, basically with reference to the deficits. I spent a number of years on a hospital board. I think we had requisitioning powers for the first two years of that time, then the provincial government picked up the total cost of health care in the remaining three years. You've given a couple of examples of how it's been abused, where a whole board has gone to a convention when supposedly there's no need for a whole board to go. When I was in the hospital association, I heard of the same misuses of board funds. I would just like to say to the minister that some of these boards that have worked very hard and spent the dollars as if they were their own, and have managed to come up with a balanced budget — very often over much flak from the community — be given some consideration this year when they're applying for their review, if they find themselves short of budget, so they get a fair shake for being good managers of our moneys and for taking their responsibilities seriously. I think it's unfair for them to be lumped in with a group whose excess expenditures — in some cases they were just and fair, but in some cases they may not have been. I think those who have been good stewards of their operations should have some sort of consideration for being able to come up with a balanced budget, taking into account the troubles they have faced in doing that.

MR. RUSSELL: Mr. Chairman, I think the hon. Member for Cypress referred to deficits. I have a note from my officials saying that '77-78 deficits are now all paid. We don't yet have an audited statement on the '78-79 deficits, so I can't give you the hard statistics I thought I might be able to.

Medical research: I'm almost sure the Bill will be ready for introduction in the fall sitting, and that should provide ample opportunity for a good debate.

I must admit, too, that when I first heard about the incinerator program it really burned me up. [laughter] Sorry about that. But upon further investigation, it does make sense. Boilers have a similar program. There's an ongoing replacement program for most of these boilers and incinerators throughout the province. They have a limited lifetime. I've found out that we schedule a number of them each fiscal year, and are gradually upgrading and replacing them throughout the province on an ongoing basis. It is unfortunate that the example the member mentioned was a surprise; they're not meant to be, and I regret the lack of prior notification in that case.

The emphasis on renovations is again an important aspect. Here we get into that old cost/benefit thing, which has recently been emphasized in importance due to the controlled building regulations. Substantial amounts of repair money are needed for lire upgrading. In hospitals that have been examined throughout the province, in some cases the renovations, reroofing, putting in better windows, insulating, rewiring, per-

haps upgrading for fire requirements, are ongoing. When you put that along with the depreciated value and lifetime of the building on the ledger, at some point you're better off in the long run to build a new hospital. So I think one or two communities are probably going to be asking for renovations and finding themselves with a new hospital instead. Of course there will be many more of the other kind, asking for a new hospital and finding they're getting renovations instead.

But there is a saw-off point. I'm not an expert in the field, but they tell me that if you're putting about 70 per cent of the cost of a new building into renovations, you're better in the long run to go for a new building.

Agreed to:

1.1.1 — Minister's Office	\$138,580
1.1.2 — Financial Planning and Control	\$1,686,465
1.1.3 — Information, Systems and Evaluation	\$2,128,872
1.1.4 — Personnel	\$249,139
1.1.5 — Administrative Support	\$7,116,796
1.2.1 — Deputy Minister's Office	\$161,058
1.2.2 — Planning and Operations	\$1,851,367

MR. R. CLARK: I commend you, Mr. Minister, for what's happened in your own office and the deputy minister's office. It isn't often I pass out compliments, but it's a 43 per cent reduction, almost cutting the minister's office in half. How were you able to accomplish that? I'm sure other ministers would be interested.

MR. RUSSELL: It happened in three major elements, Mr. Chairman. First of all, the personnel contracts that the former minister had are terminated, so don't reflect in this budget. Based on my own experience — and I may have made a mistake — I substantially cut the hospitality and travelling expenses. Those are the three major cost decreases.

MR. R. CLARK: So we no longer have Jackson Willis on staff in any way, shape, or form?

MR. RUSSELL: No.

Agreed to:

1.3.1 — Deputy Minister's Office	\$104,403
1.3.2 — Professional Services	\$192,789
1.3.3 — Registrations and Claims	\$5,450,506

MR. R. CLARK: Mr. Chairman, if I could get a quick review from the minister. In general terms, Mr. Minister, where do we stand as far as bad debts are concerned? I won't recall the amount from last year, but it was sizable.

MR. RUSSELL: It runs about the same. They're cumulative. I think the cumulative bad debts since the program started are in excess of \$26 million, and it builds up gradually each year. It's a misleading factor because although some are shown as bad debts, they really aren't. The people are lost through moves or moves to other provinces, and presumably are covered elsewhere. But because we can't track them down, they must be shown that way.

Agreed to:

Total Vote 1 — Departmental Support Services	\$19,079,975
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MR. HORSMAN: Mr. Chairman, before moving to the second vote for the Minister of Hospitals and Medical Care, and before moving adjournment of the committee, I would like to advise that when we assemble at 8 p.m. we will move into the estimates of Executive Council.

[The House recessed at 5:28 p.m. and resumed at 8 p.m.]

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

Executive Council

Agreed to

1.0.1 — Office of the Premier	\$334,281
1.0.2 — Administrative Support	\$934,700
1.0.3 — Office of the Lieutenant Governor	\$51,350

1.04 — Project Management

MR. R. CLARK: Mr. Chairman, perhaps we might start the discussion in a rather broad general area here by asking for an explanation of what appears to be a 90 per cent increase.

MR. LOUGHEED: Mr. Chairman, a very reasonable question. It's been our decision with regard to project management to keep the personnel unit relatively small in number and to use consultants as required. Because of the complexities of government operations within Canada and within provincial governments, we feel it's important for us to continue to have different points of view; sometimes consulting opinions, analyzing certain areas, sometimes on a broad basis. We therefore have included a significantly larger amount of funding this year for project management.

MR. R. CLARK: Mr. Chairman, to the Premier. What areas is the government looking at here? I see an increase of three people in the staff complement, but we're looking at an increase from \$361,000 in the estimates last year to \$676,000, which in man-years, looking at about \$40,000 a year, would be comparable to an increase of about 10 people. What areas are we primarily looking at?

MR. LOUGHEED: Mr. Chairman, not a large increase in people; the main increase is the allowance with regard to consultants. The project management group, of course, has involved the director of project management, a secretary, a research assistant, the chairman of the Cold Lake co-ordination committee, the special advisor to the Premier on medical research, and a number of wage provisions. We don't have a large staff contingency there. The majority of the funding is an additional allowance to cover consulting contracts.

MR. R. CLARK: Mr. Chairman, the Cold Lake co-ordinator would be a new individual, but Dr. Bradley would have appeared in this vote last year. Can the Premier be more specific other than the Cold Lake co-ordinator, or in fact is there a lump sum of so many hundred thousand dollars there really waiting for designation?

MR. LOUGHEED: Mr. Chairman, in terms of the manpower estimates under project management, there's really been an increase of only two people, from seven to nine; not a significant increase. One results from the re-organization of project management and the allocation of Mr. Craig as the chairman of the Cold Lake co-ordination committee, and one wage personnel. The majority of the funding, as I've mentioned in earlier remarks, has to do with providing an allowance for project management, so that, if we wish, we can undertake consulting contracts during the course of the year.

MR. R. SPEAKER: Mr. Chairman, to the Premier. A spring general timing has been established for the referendum in Quebec. Would that type of project come under this vote from the Premier's office? Let's say, for example, Alberta wished to make some type of presentation. Would that be a project under which you'd hire a consultant?

MR. LOUGHEED: Mr. Chairman, it could, but I doubt that it would. It would more likely fall under the estimates for Federal and Intergovernmental Affairs.

MR. R. CLARK: Mr. Chairman, just to go back at this question again. To date we've found out that money is there for Mr. Craig, in charge of Cold Lake, for one secretary, and for a number of possible projects. I don't think it's being unreasonable if we could ascertain what some of those projects are for which the government has put money in the estimates as potential projects for project management.

MR. LOUGHEED: No, Mr. Chairman, it's not an unreasonable request at all, except that we can't answer at this time. We are assessing a number of different areas. If I look at the actual amount in '78-79, under the project management vote there was some \$135,000 in the area of professional, technical, and labor services, which is essentially the consulting side. We have increased that to some \$410,000, and that's the very large amount of the increase in project management.

We're of the view that through the Executive Council, which has an overview position, there's going to be an increasing demand upon the government to obtain consulting advice in a number of areas.

MR. R. CLARK: Mr. Premier, each department has money in its estimates for consulting advice. So really in its crudest form we're being asked to vote yes to Vote 1.04, where we've had an increase from \$135,000 to \$410,000. We've had justification for Mr. Craig in Cold Lake, plus a wage person. We're really being asked to say, well, the rest of it will be for projects which come along on the way.

Now, are we looking at a possible co-ordinator for the Shell project north of Fort McMurray? Are we looking at some more initiatives in a variety of other areas? Obviously the cabinet must have had some ideas

in mind, Mr. Premier, or this figure couldn't have been arrived at.

MR. LOUGHEED: Mr. Speaker, it's not been our experience to work that way. We have assessed the fact of the complexity of government, and we felt that we should have a larger appropriation to cover the ongoing demands that we may have at an Executive Council level over this fiscal year.

As I've mentioned, the real change under project management is the allowance provided for consulting services, the increase from \$135,000 to, \$410,000. We thought it was important to have that appropriation to give the Executive Council the flexibility to make those decisions on an ongoing basis as matters evolved at this important time in our development.

MR. R. SPEAKER: Mr. Chairman, to the Premier. Eight years have passed since 1971, and certainly government was complex during that time. Are things going to become more complex from 1979 to 1980? Just what are those factors that make the Premier and the cabinet observe that?

MR. LOUGHEED: I think there's no question that they're becoming more complex: the various aspects of the economy, the interrelationship with social aspects, the growth in population, the relationship if the growth of the population to the social programming involved, the factors that have involved Alberta in terms of a western Canadian economy and a Canadian economy. I could go on and on. But they are certainly becoming even more complex. They're much more complex today than they were in the more quiet period of the 1960s.

MR. R. CLARK: Mr. Chairman, just one last question. Obviously the Premier isn't going to indicate to us what the government has this amount of money earmarked for. I must say that I can recall the Premier's views on this side of the House when a cabinet minister or the former premier asked to have money approved by the Assembly without it being earmarked. In its simplest form, that's really what we're asking here — a quarter of a million dollars.

MR. NOTLEY: Have faith.

MR. R. CLARK: Well, some are more faithful than others.

So there's no misunderstanding, we're really being asked here this evening for \$.25 million because of the more complex situation than we were in a year ago, yet the only justification we've had is the Cold Lake project. Members will recall that we on this side of the House did all we could to see that the government put a co-ordinator in there; no question at all about that money.

But we're really being asked for another \$250,000 for consulting fees in areas that either the government doesn't want to talk about this evening, or hasn't made up its mind about and has sitting there in the event that something comes along.

MR. LOUGHEED: Mr. Chairman, to a large degree that's accurate. We felt that in a budget of some \$4.5 billion, with the decision-making we have, at the provincial cabinet level we need the opportunity to have

these consulting contracts over the year to help us make better decisions.

I would like to take some issue with the Leader of the Opposition. I recall that I thoroughly enjoyed the issue of consulting contracts when I was Leader of the Opposition. In fact I used to quote them fairly frequently at the government of the day. No doubt in the case of some of these consulting contracts, some of that might happen as well. We, of course, will make our decisions over the course of the ensuing year as to the particular areas that require the justified attention of outside advisers.

Agreed to:

1.04 — Project Management \$676,020

MR. PAHL: Mr. Chairman, in view of the fact that I know very well how expensive and important consultants are, I can certainly support 1.04. I wonder if we might have an opportunity to get some understanding of the saving effected in Vote 1.05.

MR. LOUGHEED: Mr. Chairman, if you look at the item carefully, it's a question of comparing forecasts with estimates. If you look at it under a comparison with estimates, it's not really a saving. In following the column down, it's \$182,000 on the estimates, but \$450,000 on the forecast. The difference is the expenditure out of the protocol account for the visit of Her Majesty the Queen last summer.

Agreed to:

1.05 — Protocol \$203,699

Total Vote 1 — Executive Council Administration \$2,200,050

MR. CHAIRMAN: I believe the next two votes, 2 and 3, were in subcommittee. Would the chairman report on that.

MRS. FYFE: Yes, Mr. Chairman. Subcommittee B of the Committee of Supply has had under consideration the estimates of expenditures for the fiscal year ending March 31, 1980, for the Minister responsible for Workers' Health, Safety and Compensation.

The subcommittee recommends to the Committee of Supply the following estimates of expenditure: occupational health and safety, \$6,481,217; workers' compensation, \$10,039,200.

MR. CHAIRMAN: Having heard the report by the chairman of Subcommittee B, are you agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Then we will vote these two amounts separately.

MR. R. CLARK: I wonder if we might ask the minister, in light of his revelation in the House the other day, his ministerial announcement, of what was happening in the X-ray field, and after that the minister determining that the law isn't being lived up to — it's a three-month backlog as far as concerns examination

of X-ray equipment in the province. Having regard also for the fact that last year the minister's department didn't spend its appropriation — I'm not advocating that the minister should spend the appropriation if there is no need for it, if it can't be justified. But when one considers that we have a backlog of at least three months in the inspection of X-ray equipment across the province, it would seem to me, Mr. Minister, that the very least we could expect this evening is some sort of commitment as to when that backlog will be caught up, and an assurance from the minister that this kind of backlog will not occur in the future.

MR. DIACHUK: Mr. Chairman, as I indicated last week, the officials of my branch indicate that the three-month backlog will be caught up, providing service and continuing to work extensively in catching up with the backlog. The resignation of one person and the tentative promotion of another — that promotion still hasn't taken place — and, as I indicated, the growth of new equipment being brought in have created the backlog.

I've asked my officials to concentrate on cleaning up the backlog, because in some cases people are using equipment after it has received the initial certificate, and the final inspection hasn't been completed. That is something we'd like to catch up with and not have happen. We're confident that in most of those cases the equipment is installed properly, Mr. Chairman, because the certificate issued for the installation — they knew the equipment that was to be installed and the firm or the supplier doing the installation. The onus is on the owner of the equipment, whether they operate it or not. The department or the branch people do not give any clearance that they may operate it. They're aware who installed it, who supplied the material, and that the new equipment meets the standards of the federal government. Therefore the equipment is no risk to the public.

The statement I made last week is what my officials are going to concentrate on. Mr. Chairman, to the hon. Leader of the Opposition: I'm hoping and I'll be watching that this backlog is cleaned up in the next three months.

MR. NOTLEY: Mr. Chairman, I wonder if I could move to a slightly different area. If there are further questions on the X ray, I'll defer.

MR. R. SPEAKER: Mr. Chairman, to the minister. I raised the question with regard to responsibility and liability in case some damage to the patient occurs. There are some 126 uninspected X-ray units at the present time. Has the minister examined that legal question in his department and the liability of government by not carrying out these inspections?

MR. DIACHUK: Well, Mr. Chairman, there is no liability on the province, because the standards as to the type of equipment to be brought in are set by the federal government. From the experience of the people in the inspection field of the radiation and health branch, we are satisfied that there is no risk. Again, the onus is on the owner, whether it's the hospital or the clinic or the private doctor, whether they want to use that equipment pending the certificate of registration. The provincial government is not liable.

MR. R. SPEAKER: Mr. Chairman, to the minister. If the provincial government accepts no liability and the regulations are from the federal government and we really haven't any . . . I'm not sure where we play a role in the process. Why do we as a province even have the inspections then? Why do we get involved if there's no liability? I can't understand. If we have no legal responsibility and the federal government has set down the guidelines, why are we involved? Has the minister raised that question?

MR. DIACHUK: We're involved because we have a statute we have to fulfil. My officials are going to fulfil it as soon as they're able. The question that was raised to me by the hon. member and by other people outside this House was: what is the liability? Well, I have assured everyone that, from my officials' explanation — and I'm satisfied — because the equipment meets the federal standards, if the operator of the equipment doesn't wish to operate it until the final certificate of registration is issued, that's fine. But we don't believe we must put a stop-work order on those, that they mustn't operate them. Because again, Mr. Chairman, we're satisfied that the equipment meets the standards. The installers are known to our people when the first certificate is issued.

MR. NOTLEY: Mr. Chairman, I'm still a little puzzled by an answer that we apparently don't have any obligation, even though a statute is involved. But I'll pass that one by and refer the minister to occupational health and safety inspection on page 68 of the elements, an increase of approximately 7 per cent, if my arithmetic is right.

According to statements you've made in the House, Mr. Minister, we're going to establish 150 to 200 voluntary health and safety committees. Yet there's only an increase of 7 per cent in occupational health and safety inspection. Are we in fact budgeting sufficient funds for adequate inspection, in view of these additional committees? Admittedly the committees will do some work; no question about that. But obviously there has to be adequate inspection. Are we in fact going to be able to do it with a 7 per cent increase? Or are you going to have to chase out to a cabinet meeting and get a special warrant to increase the funds to allow us to do the job properly?

MR. DIACHUK: The purpose of the joint worksite safety committees is also to share in some of the responsibility, rather than having inspectors at every job site, Mr. Chairman. I'm sure the hon. member agrees that a very effective and co-operative worksite committee, where both sides are co-operating, requires very few callbacks from the branch. I'm satisfied, and I can assure the hon. member, that if the officials find the joint worksite committees are not operating effectively and that we must have a lot more inspections, that means the first stage is not operating effectively. So far the reports indicate that the greatest majority of these joint worksite committees are working very effectively, and very few problems are reported to the branch.

MR. NOTLEY: I have no doubt that the joint worksite committees are doing an excellent job, but I also have no doubt that we have started in those industries and firms that have the best safety record. We're talking about voluntary committees, Mr. Minister, not the

ministerially designated ones that have been designated to date. I'm talking about the voluntary committees that are going to be set up. I suspect you're going to find a very good safety record in those areas, and by and large a pretty good rapport between employees and management at this juncture; otherwise voluntary committees wouldn't be established. But as we move beyond these 150 to 200 into areas where you're going to have to designate committees, Mr. Minister, we're not going to find the happy situation you've described or will be able to describe in the voluntary situations. I've discussed it with people, and I would surmise that you're going to find a much more uneven situation.

MR. DIACHUK: Mr. Chairman, my information is that the majority of the initial worksite committees established by ministerial order was because of their records: fairly high lost man-hours and accident ratios. As a matter of fact the interesting part is that out of the 144 established, only five are not functioning either because the firm is closed down or has been taken over and therefore there's another joint worksite committee. There are still 139 operating very effectively and some of the more difficult ones are just starting to function. They took more man-hours from officials in the branch than the initial ones, and I have to agree that those take as many as five man-days to establish.

MR. NOTLEY: Mr. Minister, at this time have we any computation of the potential number of worksite committees that could be established under the provisions of the Act, either as ministerially designated committees or as voluntary committees? You've mentioned that 139 are functioning now. We're talking about 150 to 200 voluntary committees where the minister has indicated there will have to be some additional designations this year. What are we looking at in terms of the potential? Are we at 5 per cent, 10 per cent? In terms of the shops and workplaces in this province, what would be the present percentage and the percentage when we set up these 150 to 200 that the minister has indicated will be established this year?

MR. DIACHUK: Mr. Chairman, with the additional committees we hope to establish by the year end, we hope the figure will bring us just to a good beginning. We do have some 55,000 worksites in this province. But it's understood and acceptable that on many of these worksites there's never going to be a committee, because most worksites in the statistics are one and two employees or even owner-operator. But they still show in the record as 55,000 in the province. As to the percentage, if the hon. member would like, I will take that as notice and provide just what it is. I don't have it here.

MR. NOTLEY: Mr. Chairman, that's fine, I'd appreciate that. What I would like though, Mr. Minister, is not . . . It's very easy to compute a percentage of 55,000 right now. You have about 2 per cent of 55,000 and possibly another 3 per cent — maybe less than that. I won't try to do any arithmetic. [interjection] No, as a matter of fact, I just noticed that I've been overly generous to the government. It's about 0.5 per cent now and may be not quite 1 per cent by the time we finish.

But that's not really what I'm interested in, because obviously one- and two-person worksites are not feasi-

ble for worksite committees. But let's take a look at sites where you have eight or 10 employees. That's the kind of thing I would like to have from the minister. Are we at 10 per cent, 15 per cent of sites where it would in fact be practical to establish a committee?

MR. DIACHUK: Mr. Chairman, if the hon. member will accept it, I'll provide the information later by memo.

MR. R. CLARK: Mr. Chairman, to the minister. On Vote 2, page 171, the 81 per cent increase in grants: Mr. Minister, what grandiose plans do you have there? You could also explain about the payments to MLAs.

Mr. Minister, might I say this on a serious note. Repeatedly during this session we've heard the answer from your portfolio, especially in the X-ray area: my department tells me this, and my officials tell me this. I think we've been overly generous to the new minister in an area where, frankly, it's been bollixed. Mr. Minister, I would hope that by the fall session you have a handle on this X-ray thing and on the department, so we don't hear as responses: my officials tell me this, and my officials tell me that. That's the kind of thing that got your colleague at the end of the front row in trouble. The minister is responsible. You can't slough these things off on the public servants.

MR. DIACHUK: Mr. Chairman, to the hon. Leader of the Opposition. One of the biggest portions of the grants is a program at the University of Calgary, some \$80,000 to do work in occupational health and safety. The other large, new grant is in the vicinity of \$10,000 to the W.W. Cross Cancer Institute for a program that our department has asked them for. So \$90,000 of that grant program is new.

Some of the others are a continuation of programs we've had in the past, such as small programs with the St. John's Ambulance, the mine rescue competitions, the Alberta Trucking Association, the Canada Safety Council. These are ongoing grant programs, where we assist them in funding and doing research in different areas. But the biggest portion is the University of Calgary and the W.W. Cross.

MR. R. CLARK: Mr. Chairman, to the minister. As much as I support the University of Calgary, what's the \$80,000 for? Obviously it's for occupational health and safety, or it wouldn't be in your appropriation.

MR. DIACHUK: The grant would enable the faculty of medicine to provide for teaching and research in occupational health. This is something we would like to have them do. Of particular importance is a demonstration project for the provision of programs for smaller businesses. The bigger businesses have their own safety and health people. Small businesses cannot justify some of these expenses. This is the direction we're looking to establish, in co-operation with the University of Calgary. The faculty uses some students during the summer to work with these programs in these smaller businesses and to develop them, and then we would be able to implement them. That's basically in the smaller businesses, where they don't have the resource people. A lot of it is research and development of the techniques used in a bigger business, but you can't afford it in smaller industries.

Agreed to:

Total Vote 2 - Occupational Health and Safety	\$6,481,217
Total Vote 3 — Workers' Compensation	\$10,039,200

Vote 4 — Support to Native Organisations

MR. R. CLARK: Mr. Chairman, in light of recent events, I think this would be an opportune time for the minister to give us some outline of what he sees being done with support to native organizations and to hear some indication of the minister's priorities for the year. I think it would be a good time also to get a report on where negotiations stand with the federal government.

DR. McCRIMMON: Mr. Chairman, you may notice some of the increases in Vote 4. I would like to point out that in the past number of years it's been two votes: the Native Secretariat and the minister's office. Since Native Affairs is now a full portfolio, the two have been combined, so that basically the increase for the Native Secretariat is about 5.5 per cent to 6 per cent, and the minister's office roughly 2 per cent. But if you would care to follow that up, page 191 shows another breakdown. Grants to the native friendship centres and the Indian Association of Alberta are \$198,450. The allocation for the Metis Association of Alberta is \$351,750.

Would you like me to read the other breakdown for you? Fine. I can give you the amount for each of the friendship centres, if this is what you wish.

MR. NOTLEY: Just the totals.

MR. R. CLARK: The totals would be good enough.

DR. McCRIMMON: Okay. Isolated communities, \$94,500; Voice of Native Women, \$57,750; miscellaneous funding and contingencies, \$115,000; total listed grants, \$912,555; total unspecified amount, \$115,445 — for a total of \$1,028,000.

MR. NOTLEY: Could you read those again, please?

DR. McCRIMMON: What? The last number?

MR. NOTLEY: Could you read them again, Mr. Minister? The isolated communities, the friendship centres, and the Voice of Native Women.

DR. McCRIMMON: Fine. The friendship centres, \$210,105; the Voice of Native Women, \$57,750; isolated communities, \$94,500. The total program: \$1,028,000.

MR. R. CLARK: Mr. Chairman, to the minister. I'd like to know is what the minister's priorities are for his first year in office. It's good that we know where the grant money is going, but every minister obviously must have some priorities that he hopes to accomplish during the first year. I think it would be an opportune time to find out what the minister's are.

DR. McCRIMMON: Mr. Chairman, I do have some priorities. As I think we all know that probably one of the greatest concerns over the last number of years has been the unemployment of our native people in the province of Alberta, both Metis and Indian. Over the next two or three years I hope to be able to reduce this.

That's probably the number one priority, as far as I'm concerned.

The increase in skills and education of our native population is of equal priority. If we can get our native people skilled and into the work force, I think they'll be a greater help to themselves and to the province. It's one of the most important things we can possibly do, and I think that we have the full co-operation of the Metis and native people in these objectives.

It's encouraging to find more Metis and native people in NAIT and SAIT apprenticeship programs and in university than in the past. There still aren't enough, but it is coming along.

Some of the Metis housing programs we have are coming along well. In the process they're learning the skills of carpentry and building their own houses, this type of thing. It seems to be coming along.

Over the next year or two, we hope to be able to take some of the results that we hope we'll find from the select committee of the Legislature on fishing within the province, both game fishing and commercial fishing, which is highly used by the native and Metis people.

I could go on. Those are some of the priorities that hopefully we will be able to accomplish, at least in part, over the next few years.

MR. R. CLARK: Mr. Chairman, to the minister. Mr. Minister, I feel an area that is going to be very difficult is the question of building bridges of understanding between the government and both the Metis Association and the Indian Association. I'll start with the Indian Association. I make these comments totally on my own.

From the actions taken by the province with regard to negotiations with the federal government, and the meeting the minister had just two weeks ago with representatives of the Indian Association of Alberta, where in fact the province has pulled out of this area, it seems extremely important that in the future the province not go barrelling off to Ottawa, as they did a year ago, in the area of provision of social services, without much more meaningful consultation with native people. I've heard very often from treaty Indians that frankly there was little if any consultation with the province. I think that was borne out in the minister's recent meeting with the group, when in fact the province decided to pull out of that area. Those kinds of actions on behalf of the province just make it that much more difficult to deal with the Indian Association or the Metis Association. And I think that you as minister have an extremely big building job to do with the Metis organization in the province. Frankly, I think that to show some success in that area will be a major test of the minister's mettle, if I might put it that way.

Following on from that, what does the minister see as the department's and the minister's role in the upcoming discussions between the Metis people of the province, both on the case in litigation now, and then some resolution of the Metis land question?

DR. McCRIMMON: Mr. Chairman, as far as the role of my office, I feel that in all fairness it would be good if we could get the land claim situation resolved in reasonable time, because until that is resolved other development is being held back in the eight Metis colonies we have in the province. If we can get that

resolved, hopefully within a reasonable time, we can carry on with some of the other forms of local government and development within the Metis colonies within the province.

The actual land claim is a stumbling block to advancement as far as a good section of the native people is concerned, particularly the colonies. Hopefully it will be resolved. It's before the courts now, and hopefully a resolution will come in the reasonably near future, so we can get on with the job. There's a lot of work to be done; no question about it. As I mentioned, there's a good deal of work in education, training, and work, and major projects are coming into this province that I feel both Metis and Indian can be part of. I think we can get the co-operation of industry and of the native and Metis people to work toward the same goal. It's going to take some adjusting and some working together, but I think it can be done.

MR. NOTLEY: Mr. Chairman, I don't think any member of this House would not accept as a very important goal dealing with the high rate of unemployment that many of our native Albertans face. But I'd just like to make a couple of observations with respect to the current controversy, which I suspect will probably be discussed in equal if not greater detail when we get to the estimates of the Minister of Social Services and Community Health.

MR. R. CLARK: In far greater detail.

MR. NOTLEY: In far greater detail. I would say to the minister very bluntly: the government's position at this stage is that we must settle this outstanding \$30 million claim as to who owns the mineral rights — are they owned by the people on the settlements, or do they simply have surface rights and the Crown owns the \$30 million — before we can move in other areas in a significant way. One of the few things I found encouraging in the question period in the last week was a statement by the Premier that he was going to take the initiative on a without-prejudice agreement, so that we could separate the two things: the claim for the \$30 million, who owns the mineral rights, whether they're owned by the people of the settlements — not colonies now, but settlements. There was a deliberate change in terminology. At one time they were known as Metis colonies; that was changed, and now they are known as Metis settlements. We then could pursue the question of delivery of services and the operation of government separate from the \$30 million lawsuit.

It seems to me that your department, Mr. Minister, really has to take the initiative in this whole business of a without-prejudice settlement. The last people who should say that we have to have all our eggs in one basket, we have to settle this business of the minerals rights first, are members of a government in Alberta. We would not have had a province if Mr. Haultain and others said, we have to have control of natural resources. In the formation of Alberta and Saskatchewan there was, if you like, a somewhat similar situation, a without-prejudice agreement. Laurier brought in the legislation passing the Alberta Act, passing the Saskatchewan Act, setting up two provinces but reserving for the federal government natural resources, which were not transferred to the provinces until 1930.

I say very sincerely to government members: why can't we do the same thing with respect to the Metis settlements? Why can't we agree to a without-prejudice

agreement, so we separate once and for all this business of the \$30 million suit. We say, all right, we'll fight that out, the rights and wrongs, but we pursue the changes that have to be made. I look at the regulations under the Act. There've been no changes in regulations since 1966. We've made virtually no progress, because this legal case has bogged everything down and the bottom line of the government's position is basically, as the Minister of Social Services and Community Health has said: we have to settle the claim before we can move in other areas. I don't accept that. I think you can separate the two. You can use the precedent of what the federal government did in 1905 with regard to Alberta and Saskatchewan. We can do the same thing vis-a-vis the Metis settlements. I really think you have to consider that, Mr. Minister. In fairness this government has to consider that.

I'd like to make several observations with respect to the sessions a few days ago with the treaty Indians in the province. I gather the Alberta government has backed off somewhat from the position taken in April 1978 in the Legislature. I applaud that move to backpedal. There's no question that in meeting with chiefs in various parts of the province there was a very clear feeling that the then minister's statement of April 16, if my memory serves me right, created a lot of concern in their minds, and that before any action is taken, clearly there has to be a very close form of consultation in terms of fulfilling that consultation — as the Leader of the Opposition said, building the bridges of understanding. To a very large extent, Mr. Minister, the ball is in your court and you will be responsible for what is going to be, I think, a rather important responsibility in the years ahead. While not disagreeing with your priorities of creating employment — none of us does — the fact of the matter is that some very important decisions have to be made by this government in concert with the chiefs of the Indian bands in the province and with the people on the Metis settlements in order to facilitate a better understanding than we have at the moment.

DR. McCRIMMON: Mr. Chairman, with respect to the without-prejudice claims, I expect some progress can be made. What I was getting at was: it would certainly help if we could clear out the land claim first; then we would have it out of the way completely. Certainly it's been quite a while, and certainly it has held up development as far as the Metis colonies are concerned. I'm not saying for one moment that progress can't be made without the claims being settled. But it would help if we could get those claims settled, cleared away, so we could get on with the job. I'm not saying we can't get on with the job to a certain extent, but not as well as if those claims were out of the way.

With respect to the situation with treaty Indians, if you recall a year ago in April the government presented to treaty Indians the extension of service policy for treaty Indians within the province. Now this was an offer, and it was up to the native people of the province to accept, reject, or modify that offer. There was some concern with respect to the native people. I instigated a meeting last June 6, and we had a good meeting between the chiefs, councillors, and government of Alberta. They requested that health and education be removed from the extension of services. They felt it might endanger the treaty rights of Indians and that it was a responsibility of the federal government. The

provincial government agreed. So that is the situation at the present time. They asked about economic development for native people. We asked that they work out requests or programs and present them to us so that we could sit down and talk it over.

You talk about liaison with the Indian Association of Alberta. I think there's been quite a lot of liaison. I've had two meetings with their president today, both excellent meetings.

There's no question that we have a long way to go with both treaty Indians and the Metis people of the province, but I think we're going to get closer. It's not going to happen by accident, and it's not going to be easy.

MR. R. CLARK: Mr. Chairman, to the minister. Perhaps just one last comment, as far as I'm concerned. Mr. Minister, it would seem to me that perhaps one of the highest priorities you might put on your responsibility is regarding the minister's office and the now department of some 16 people as an advocate for the Metis and Indian people in the province. I just get the feeling, not from official sources but from talking to many treaty people and to the Metis people, that they have to be convinced that this government is really serious about this department being an advocate for the native people in Alberta. I recognize it's not an easy task, Mr. Minister. But it seems to me that in the next few months that judgment either is going to be confirmed or a new judgment made about the minister and his department.

When I reflect on the reports of the Alberta Human Rights Commission and the observations and warnings they've given this government on more than one occasion about the problems with treaty Indians and native people in the province, Mr. Minister, it is very important at this time that your office is seen by those people as an advocate for their interests and concerns, and a very willing and ready ear. Don't let anyone think that the native people in this province, be they treaty or Metis, aren't very shrewd observers as to how sincere this government or in fact this minister is in really being their advocate.

Agreed to:

Total Vote 4 — Support to Native
Organizations

\$1,796,212

Vote 5 — Personnel Administration

MR. NOTLEY: Mr. Chairman, I'd like to raise an issue and pose some questions to the hon. minister about a matter that has been brought to my attention. It was a little troubling because of the way it was handled and because of some of the implications it has for the minister's section of Executive Council estimates. It concerns the case of Sharyle Jewett. Ms. Jewett was a secretary for Mr. Getty, the former Minister of Energy and Natural Resources.

To summarize the case, Ms. Jewett was relieved of her responsibilities around September of last year, I believe. She was given no written reason for her removal. It would appear, from discussing this matter with her legal counsel, that she was forced to leave her job because the person she was living with at the time had been charged with an offence.

Without getting into the rights and wrongs or the

morality of the issue, Mr. Minister, there is first of all the question that one is presumed to be innocent until proven guilty. There is the question of whether or not an offence committed, in this case by the boyfriend, should be held against the woman. What does that mean about the woman's rights under The Individual's Rights Protection Act? It seems to me those questions are troubling in themselves.

But I want to move from there, Mr. Minister, to explore how this matter was dealt with by the government. This is where my concern really begins. After Ms. Jewett was relieved of her position as a secretary to the minister, she received no written reasons for her removal at the time. However, she was subsequently advised by the deputy minister that there was an appeal procedure for excluded employees under The Public Service Act. Dr. Mellon advised Ms. Jewett of her rights. The board held a hearing, but because the regulations had not been filed, the board hearing had absolutely no effect.

Now the question really arises: why were the regulations not filed? This means that at hearings of the excluded employees' board, if the regulations aren't filed the board's decision cannot apply, and the rights to appeal for people in our public service don't exist.

The second question that flows from this, Mr. Minister, is the legal costs. The woman in question went through the appeal procedures at her own expense. But because the government hadn't filed the regulations, the whole appeal board was null and void. That's a little bit of a how-do-you-do for the woman in question — who has gone to a lawyer, sought legal aid, and has to pay legal bills — to go to an appeal board that doesn't have the power to sit because the government hasn't got around to filing the regulations. I would ask why the regulations weren't filed. Beyond that, I notice ... One could say that even though The Public Service Act was passed in 1970, the government didn't get around to it, although one would wonder why it didn't. But I gather that in February 1978 a case was decided on the basis that those regulations hadn't been filed.

I don't say this in a critical way of you, Mr. Minister, because I realize you've just taken on the responsibilities of the post, but I certainly raise it in a critical way of the government. For the life of me I can't understand why these regulations weren't filed, at least after the 1978 court decision. We went through the process of Miss Jewett hiring a lawyer and going to appeal. And the whole appeal procedure is thrown out the window, because the government hasn't got around to filing the regulations, even though a court case eight or nine months before said, you've got to file the regulations before the board has any authority at all. I find that incredible.

We had quite a debate in this Legislature two years ago over changes in The Public Service Act dealing with the rights of provincial employees. I would say very sincerely to the minister that there have to be very clearly laid out rights of appeal for people who have worked in the public service. If a board — this particular board in question, the excluded employees' board — is to have any meaning, there has to be a filing of regulations.

I'd like to put several other questions to the minister. When this particular woman's lawyer and she made an effort to appear, the suggestion was made that the meeting should be held in camera. Finally it wasn't; it

was held in public. My question to the minister is: where does this board meet? Presumably at some point the regulations will be filed. Perhaps they've been filed now, but that still doesn't explain why they weren't filed for eight years. Surely meetings of this nature should be in public, if the employee chooses. If the employee doesn't wish the appeal to be in public, that's quite another matter. But where the employee wishes it to be in public, as opposed to an in-camera session, it seems to me that should really be the prerogative of the employee.

My other question, and I close with this, is to ask the minister if he can advise us just where things stand as far as other employees are concerned, whether there've been other appeals to this excluded employees' board which have had no effect in law because we haven't got around to filing the regulations.

I conclude my remarks by saying that it seems to me there are a number of issues in this case: the issue of whether a woman is to be treated as an adjunct, if you like, of the man; whether there is an appeal procedure which is valid in law; whether the government has undertaken its responsibility, so that when an appeal takes place, it can in fact be heard properly; whether there've been hearings in camera in other cases; how many other cases have not got anywhere because we haven't filed the regulations. Finally, the legal costs.

I wanted to leave the legal costs at this stage, because it seems to me that regardless of the rights or wrongs of Ms. Jewett's case — and I'm not here in any way, shape, or form to pretend to be an advocate on her behalf; I don't know enough of the details. If this woman went through the process of a hearing which was null and void because we hadn't filed the regulations, surely there is some obligation — moral obligation, if none other — for the government to look seriously into this case and see if redress can be made for the legal costs, if nothing else.

MR. STEVENS: Mr. Chairman, before I answer the — I got to nine — questions the Member for Spirit River-Fairview brought out, I wonder if in rising before the committee I might make some remarks in my capacity as Minister responsible for Personnel Administration.

First of all, I would like to acknowledge the work and support of my immediate predecessor, the previous Treasurer and now Minister of Energy and Natural Resources. His counsel and advice have been especially helpful to me in my new role. I know I can say on behalf of the staff of the department of Personnel Administration how much each of them have appreciated his leadership and direction while at the same time he carried out his extra duties as Treasurer.

As the new minister I also would like to thank very much the Public Service Commissioner and the directors of the divisions of our department — employee relations, departmental services, management services, organizational development, administrative services, and the director of our southern Alberta region — for the advice and support to me. All those directors and indeed all the staff of the department and my own staff have been extremely helpful since the Premier assigned this portfolio to me last March.

I would be remiss if I did not extend my appreciation to my own colleagues in the management policy committee of cabinet, and indeed to all members of this House — all parties — who, I think, fully share my view of the Alberta public service and the value it

provides to us.

I would like to make these introductory remarks because I believe it's important when we look at these estimates to remind ourselves of very positive statements by the Ombudsman in his annual report. These are positive statements regarding our Alberta civil service which, unfortunately, were not picked up widely outside this House. Dr. Ivany reports:

While I shall, in other parts of this report, have a difference of views with some, it does not decrease my high respect for civil servants generally, nor for the work they so conscientiously carry out . . . Those who serve the public in appointed or elected office, are not esteemed as highly as they might be, or should be. The tendency too often is to carp at them instead of understanding them and some of the conditions under which they work.

When we look at the varieties of programs and services we provide to Albertans — the basic services, the new facilities, programs, and benefits which have been added to help our economic opportunities, indeed our quality of life — I feel we are fortunate to have an enthusiastic and dedicated public service, which I believe is conducted with efficiency, impartiality, and integrity.

In answering the questions raised by the Member for Spirit River-Fairview, I made some notes as the member spoke. I want to comment on those as I recorded them, although it may not be in the manner in which the member summarized them. The hon. member indicated that the person in question, an individual not here in the House tonight, was relieved of her duties last year. It is a sensitive issue. In this particular case, recognizing the sensitivity of the situation in which this person was apparently placed and the sensitivity of her post as an excluded management person, she was assigned new duties of a nature similar, hopefully, and of a stature that perhaps was not comfortable for her, but which recognized her salary. She refused to report to those duties. She was dismissed from that position, not the first.

The indication that there was an offence against another person and that this would have an effect on this person I think is not true in that the public service in fact found another position for this employee, but removed her from any doubt that her sensitivity at that time would cause embarrassment to the minister and indeed to the government and to the individual.

It's difficult to discuss management and excluded, opted-out rights. This government, probably of all employers in this province, has indeed a process for appeal. They're not enacted, and I don't think you'd find it in very many sectors of Alberta. A management person is a confidential person, someone not within the bargaining unit for a number of reasons. In this case, as in all cases of this class of our staff, the excluded employees' board is established of an impartial civil servant, another impartial member and in, this particular case — not as a precedent — a person of this person's stature, in fact a colleague. This board was established to give this employee full opportunity to present her case, through counsel if she chose.

To my knowledge — and I will check this out — all such cases are considered in camera for a number of reasons: one, the subject matter discussed may be confidential, it is management; two, the ability of the employee to present his or her concerns; and three, the ability of the board to make that decision and recom-

mendation to the minister involved with that employee.

The case was not decided in February 1978. It is my understanding that the case has been withdrawn on legal advice to the person. Perhaps the person, on advice, wished to have a public forum, and that may be why she has withdrawn. The case has not been decided; my understanding is that it has been withdrawn.

With regard to other employees of this nature, I see no reason to suggest a change on the basis of this case, Mr. Chairman.

MR. NOTLEY: Mr. Chairman, I certainly don't disagree with the minister when he extols the work of the public service in Alberta, both those in the AUPE bargaining unit and those in a management or semi-management category. Mr. Minister, in the number of questions I put to you, you may have missed the point. The case was not decided in February 1978; however, a case was. That was a case where another person had been affected by the regulations, and at that time it was noted that the regulations had not been filed. I realize we're dealing with a sensitive issue. However, in terms of the individual in question the matter has already been discussed in the press, and I've talked to the solicitor for the individual, who wanted certain matters discussed in the House, as I did. I do not want to discuss in the House the rights and wrongs of the government's view of that individual's service, but to explore fully the kind of appeal mechanism that people who are not in the AUPE bargaining unit have.

While I respect your answer, Mr. Minister, it seems to me that you really haven't come to grips with the problem of this excluded employees board where the regulations hadn't been filed. As I understand it, the procedure of setting up a board is pursuant to The Public Service Act in 1970. Here we have a case decided in February 1978, eight years after the Act was passed, and we still haven't filed the regulations.

That's bad enough; that's eight years. But then we have a situation eight months down the road, where Ms. Jewett and her lawyer attempt to appeal it and find the same defect. You see, there's not much point in formally appealing it to a board if you find out that one defect of that board is that the regulations haven't been filed, so therefore the board really has no standing. Unfortunately her lawyer is not working for nothing. Even the preparation of the case is going to cost the woman a good deal of money, and when she gets to the point where she can make representation, they find out that the board has no standing because we haven't filed the regulations.

I think the crucial question is: how are we going to deal fairly with people who are not in the AUPE bargaining unit, who are management, semi-management, or secretaries to cabinet ministers, or others, unless these regulations are filed? So when we have sessions of the excluded employees board, however it's composed — I don't argue with the composition of this particular board; probably the composition was quite fair. But it really doesn't make any difference how fairly one looks at the composition of the board. If the regulations aren't filed and it has no status in law, then really are we not asking the person in question to go through a lot of work and expense for naught?

MR. STEVENS: Mr. Chairman, I really felt that I had answered it. But I understand the reference to February '78, and I did miss that. I'll look into that case.

One of the difficulties in filing the regulations would be that we are talking about management *per se*. Management *per se* could in fact be a very senior official in that situation. Generally senior management — ministers, deputy ministers, the deputy head of the department — must make a decision involving the career, the termination, the discipline, of a senior department official. To establish in regulations something in writing which would make it very difficult to appoint peers would be a problem in the cases we have generally discussed. The opted-out is a special case. I'll look into that, because I think that for secretaries, for certain levels in our system, it may be a situation that will warrant a second look. I would be pleased to look at that.

As for her own situation, I can't really comment further because my understanding is that it has been withdrawn.

Agreed to:

Total Vote 5 — Personnel Administration	\$5,287,101
6.1 — Program Support	\$1,393,300
6.2 — Earth Sciences	\$2,446,700
6.3 — Physical Sciences	\$2,343,200
6.4 — Industrial Sciences	\$2,489,600
Total Vote 6 — Natural Sciences and Engineering Research	\$8,672,800
Total Vote 7 — Energy Resources Conservation	\$7,472,000
Total Vote 8 — Women's Information	\$129,100
9.1 — Program Support	\$1,965,183
9.2 — Development and Production	\$4,497,768
9.3 — Media Utilization	\$3,120,232
Total Vote 9 — Multi-Media Educational Services	\$9,583,183
10.1 — Program Support	\$432,100
10.2 — Disaster Preparedness	\$1,050,350
10.3 — Emergency Response	\$50,000
Total Vote 10 — Disaster Preparedness and Emergency Response	\$1,532,450
Total Vote 11 — Public Service Employee Relations Board	\$243,700
Total Vote 12 — Ministers Without Portfolio	—
Department Total	\$53,437,013

DR. HORNER: Mr. Chairman, I move that the votes for the Executive Council be reported.

[Motion carried]

**Department of
Hospitals and Medical Care
(continued)**

Agreed to:

2.0.1 — Basic Health Services	\$80,602,000
2.0.2 — Optional Health Services	\$23,211,000

2.0.3 — Extended Health Benefits	\$10,448,000
2.0.4 — Out-Of-Province Hospital Costs	\$6,449,000
Total Vote 2 — Health Care Insurance	\$120,710,000

Vote 3 — Financial Assistance for Active Care:

3.1 — Program Support	\$55,167,283
3.2 — Major Medical Referral and Research Centres	\$94,153,000
3.3 — Major Urban Medical and Referral Centres	\$167,864,470
3.4 — Other Referral Centres	\$63,560,370
3.5 — Specialized Health Care	\$36,492,306

3.6 — Community-Based Hospital Care

MR. R. SPEAKER: Mr. Chairman, I wonder if the minister could give some idea as to where he sees small rural hospitals fitting into the total hospitalization program at the present time. Are they under budgeting pressure? Is the global budget pattern fitting their needs? Does it look like we may have to phase out some of rural hospitals, or change the responsibilities they're carrying on at the present time? Could the minister comment in general?

MR. RUSSELL: I can say with some assurance, Mr. Chairman, that if any one did close, it wouldn't be for budgetary reasons. It would be because of the occupancy level.

MR. R. SPEAKER: Mr. Chairman, to the minister. The capital vote will come later. In the planning of hospitals across the province, would it be the minister's intent to give at least equal priority to some of the small rural hospitals as will be given to hospitals needed in some of the larger centres of Alberta?

MR. RUSSELL: Yes. Absolutely, Mr. Chairman. In fact, we've sent a letter, following up our initial request for submissions on capital projects, urging hospitals that want consideration for the next fiscal year to get their letters in by August 15. So they'll be given good consideration.

Agreed to:

3.6 — Community-Based Hospital Care	\$105,494,567
Total Vote 3 — Financial Assistance for Active Care	\$522,731,996
4.1 — Program Support	\$2,309,872
4.2 — Long-Term Chronic Care	\$53,511,461
4.3 — Specialized Long-Term Chronic Care	\$872,573
Total Vote 4 — Financial Assistance for Long-Term Chronic Care	\$56,693,906
5.1 — Private Nursing Homes	\$25,969,346
5.2 — District Nursing Homes	\$18,076,311
5.3 — Voluntary Nursing Homes	\$9,183,328
Total Vote 5 — Financial Assistance for Supervised Personal Care	\$53,228,985
6.1 — Financial Assistance — Debenture Repayment	\$35,435,441
6.2 — Financial Assistance — Furnishings	\$17,756,458
6.3 — Financial Assistance — Planning	\$1,291,000
6.4 — Financial Assistance — Outright Construction	\$5,262,350

Total Vote 6 — Financial Assistance for Capital Construction	\$59,745,249
Department Total	\$832,190,111

MR. RUSSELL: Mr. Chairman, I move the votes be reported.

[Motion carried]

**Department of
Energy and Natural Resources**

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

Agreed to:
1.1.1 — Minister's Office \$181,017

MR. R. SPEAKER: Mr. Chairman, to the minister. I understand that the negotiations that went on in Ottawa were explained to the Assembly this afternoon. But new information that has come forward, I believe today, is that there is a possibility of the price per barrel going up at least 30 per cent. World negotiations and discussions are going on at the present time. I wonder if the minister could bring us up to date on that, on the type of information before us at the present time. Or is it all just speculation and political negotiation going on on the world front?

MR. LEITCH: Mr. Chairman, there have been a number of speculative reports as to what the world price of oil may go to, or at least what the OPEC nations may set as the price for oil exported from their countries. While I think it's accurately described as speculation, we really aren't going to know until their deliberations are completed and the decision has been announced.

MR. R. SPEAKER: Mr. Chairman, to the minister. I'm certain Alberta is in a rather weak position to influence that final determination, but are any steps being taken by the minister or the government — one, to keep aware, and two, to influence in any possible manner?

MR. LEITCH: Mr. Chairman, we endeavor to keep aware of the intentions of other nations with respect to not only the production but also the consumption of oil. In the current rapidly changing situation in the world, I've felt that we need to improve our information-gathering. That's one reason for the recent announcement of Mr. Seymour being posted in the Ottawa offices of the director of government relations, Energy and Natural Resources. So during the coming years I anticipate we will have a greater flow of information on these matters than has been the case in the past. I think that's essential now because of the very rapidly changing scene in world energy.

Going to the second half of the hon. member's question, whether we take any action and effort to influence the decision, the answer is no.

MR. R. CLARK: Mr. Chairman to the minister. Mr. Minister, perhaps it might be helpful to the whole committee if we got some indication of Alberta's position on the matter of getting our crude oil to the world price. As my colleague indicated, all sorts of

rumors are going around about what the OPEC countries may do. But casting them aside, I hope it's accurate — and I'm sure the minister will correct me if I'm wrong — to reflect that the position of the Alberta government is, as a result of a series of increases, to have Alberta crude at or close to the world price. A portion of the agreement with the federal government says that the price for Alberta crude shall not go higher than the Chicago blended price — I believe that's the terminology used.

Mr. Minister, if one could speculate for a moment or two: let's assume there is a sizable increase in the world price, which could happen very shortly. Are we accurate in saying that the position of the Alberta government is that we would strive to move as close to the world price as we could, recognizing that we have a binding commitment from the federal government, as I understand it, that there be a \$1 per barrel increase January 1, but that after that period, there would be a need for a new agreement? The reason I ask the question, Mr. Minister, is that I think it's important that we get the Alberta government's position on record.

In addition to that, in my judgment — and I know this view isn't shared by some people in the government — Alberta missed the \$1 per barrel increase last January. The agreement was that rather than a \$1 per barrel increase at that time, would be a \$1 per barrel increase this July, and another on January 1. I take the position that in all likelihood we would have had six-month \$1 per barrel increases, and we're \$1 behind. But that's a matter of conjecture between the minister and me that we've had on previous occasions.

Mr. Minister, what is the target vis-a-vis the world price? We are committed to this \$1 per barrel increase, which seems to me may be a better deal for the feds than for us in light of what appears to be happening right now.

MR. LEITCH: Mr. Chairman, while I don't contemplate a lengthy debate with the hon. Leader of the Opposition about the \$1 per barrel increase that was not taken last January 1, in response to his comments on that I think it fair to say that when he treats that as \$1 lost he's assuming we would have gotten the price increases we now have under the current arrangement. I'm not at all sure that that assumption upon which his argument depends is sound. Be that as it may, Mr. Chairman, turning to the very important question the hon. Leader of the Opposition raised about the pricing of oil in Canada, I think our position has been clear and has not changed: the price of oil produced and sold in Canada ought to rise to world levels. That, of course, was agreed to in principle by the federal government. The question that was and still is open is how rapidly.

Mr. Chairman, I'm sure that will be answered in part by what takes place in the United States and in the rest of the world in the near future. I don't think we can ignore what will happen in the rest of North America and in the world when settling the question as to the timing for the price of Alberta-produced oil to go to world levels. I think it is now too early for us to be staking out firm positions on that until we get the added information which will be coming to us over the next few months, both as to what's going to happen in the United States and what will happen with world pricing. Obviously those two events are going to influence very materially the course of action we as a

government would take. Clearly we have the same principle we've had for some time; that is, over time the price of the oil produced in Canada ought to rise to world levels.

MR. R. CLARK: Mr. Chairman, to the minister: is it then the position of the minister that the \$1 per barrel increase projected now for January 1 is in fact a binding agreement between Alberta and the federal government? If I recall the letter tabled in the House, the only thing that would change that would be if the Chicago blended price were lower than our oil was with another \$1 increase on January 1. Is that an accurate assessment of the position?

MR. LEITCH: That's right, Mr. Chairman. We've taken the position that that agreement is binding and one we would abide by. But of course there's nothing to prevent the parties to that agreement, the federal government and ourselves, from negotiating a new agreement.

As I indicated earlier, I anticipate that in the coming months there will be discussions between Alberta and the federal minister and the federal government regarding the future pricing of oil and natural gas. I wouldn't want to predict now what might be the result of those discussions, but it's certainly possible that the matter of oil pricing starting next January or at a subsequent date will be a topic of discussion between Alberta and the federal government in the coming months. It's also possible there would be changes, but again I think that will be influenced by what's occurring in North America and the rest of the world.

MR. R. CLARK: Mr. Minister, if my recollection of the federal legislation is accurate, if Alberta or the federal government wanted to change the proposed \$1 a barrel increase for January 1 of next year and, let's say, there was a difference of agreement, the federal government could, if it so chose, unilaterally set the price under the Petroleum Administration Act. I'm not suggesting they're considering that. I certainly hope they wouldn't be. But that's the ultimate lever the federal government has. Is that accurate?

MR. LEITCH: Yes, Mr. Chairman, although I would want to check the legislation to be sure that could be done when an agreement is in place. It's my recollection that so long as an agreement is in place, that would remove the capacity to set the price under the legislation. But the hon. Leader of the Opposition is quite correct. If no agreement were in place, that legislation provides for the federal government to set the price.

MR. R. CLARK: Mr. Chairman, I'd like to move on to another area, if I might.

MR. CHAIRMAN: I think the hon. Member for Edmonton Whitemud has a question.

MR. KNAAK: Mr. Chairman, I have a question for the minister. With the anticipation of the world price of oil going up, has the federal government committed itself to accept the world price for heavy oil, the oil sands, and Lloydminster oil and blend it in? In other words, is an agreement in existence where the federal government is prepared to pay the world price for

Alberta oil derived from the oil sands and heavy oil, both in Lloydminster and Cold Lake?

MR. LEITCH: Mr. Chairman, there is a commitment in place by the federal government for world price for Syncrude production. My memory is that that commitment was made at the time the Syncrude negotiations were going on with respect to the construction of the plant. Then when the additional parties including the government of Alberta became involved, there would be a reconfirmation of that commitment, as I remember. It is also the case that Great Canadian Oil Sands would be getting world prices with respect to their production.

With respect to heavy oil — that is, the existing production from heavy oil — that's not the case. It's priced under the agreement between the federal government and the government of Alberta regarding oil pricing that I referred to earlier. That agreement doesn't cover production from either the Great Canadian Oil Sands plant or the Syncrude plant.

With respect to production from those plants that are now at the proposal stage — that is, Alsands and the Cold Lake project — of course that has not been finalized. But I don't know of any reason those two projects wouldn't attract world prices as well.

MR. KNAAK: I believe you've answered the supplementary I was going to ask, Mr. Minister. Do you anticipate it being a requirement before the Cold Lake project goes ahead, a sort of precondition that that would be world price?

Going one step further: if the world price jumps considerably after these meetings, do you anticipate the federal government in any way showing some degree of resistance in moving these prices up to the world level?

MR. LEITCH: Mr. Chairman, I would want to do some further checking on this to be absolutely certain, but I would anticipate it being a condition of the two projects we've spoken of, that their production receive world prices. The hon. member has asked me to speculate on whether the federal government might be contemplating a change in past policy with respect to world prices in the event there is an immense jump in the current world price. I certainly have not received any information that would lead me to think it is considering such a change in the current practice. Beyond that, I really can't give any helpful information to the hon. member.

MR. OMAN: Mr. Chairman, I'd like to ask the minister with regard to the unquestioned rise in world oil prices; up to \$50 a barrel in five years, something of this sort. That certainly would be a margin where other sources of energy would become quite viable. Does this pose a threat, for instance, to our long-term revenues and production of oil or natural gas? I wonder what kind of factor we see ourselves in as far as world pricing. And if that were the case, would the level of oil likely drop back to where it became more competitive?

MR. LEITCH: Mr. Chairman, the hon. member has raised a very broad and important topic: that is, to estimate what might happen with respect to energy supply in the future. I could make a number of general

comments.

First, I think we always need to be conscious of the possibility of some major, currently unanticipated, breakthrough in the field of energy. Frankly, it's my feeling that when oil prices jumped as significantly as they did in 1973, they set off an activity of immense significance in the world, and that we are not yet sure what the results of that activity may be. As a result of the dramatic rise in oil prices in 1973, I think literally thousands of people throughout the world went to work on possible alternatives. They dusted off plans, ideas, concepts, and things of that nature, which had been on laboratory shelves for years, and went back to take a look at them to see what might be feasible or economic now, in light of the very rapid change in oil prices. One always has to be alive to the possibility that as a result of that tremendous activity in the field of energy, a total breakthrough might occur. But having said that, and having said that we should be alive to it, one then has to turn to the possibility of that occurring. My feeling is certainly that that possibility is quite small.

I think the great problem the oil-consuming nations of the world are going to face in the coming years is one of liquid fuels. That is the area in which the energy shortfall is going to be most severe. If one were looking at other areas of energy, I suspect that replacement or alternative sources of energy may be found. But I think the last area in which we will find a satisfactory alternative is in the area of liquid fuels.

I really don't think the risk of an alternative being found for Alberta's oil — whether it be conventional oil, heavy oil, or the oil sands — is very great at all. A great deal of work is being done in a number of areas on alternate energy sources: solar, biomass, fusion, and so on. I think everyone working on fusion acknowledges that that may be the ultimate answer to the energy problem, but the technology is many years away before it's going to be here in a usable form. With nuclear energy, of course, we're all aware in the Assembly of the difficulties from a safety and environmental point of view that will slow up nuclear energy development. Despite that slowing factor, I'm sure there will be an increase in nuclear energy in many areas of the world.

There are some very significant reasons that solar energy, tidal power, and energy alternatives of that nature will not quickly become satisfactory alternate energy resources. For example, the amount of energy that needs to be used to produce energy for widespread use from either solar or tidal power or things of that nature is very, very high; that is, the percentage gain in energy is relatively small. So while they have great promise, I think the widespread replacement of the hydrocarbon energy sources by those sources is quite a number of years down the road.

We have to be alive to the possibility of some astonishing scientific breakthrough. But having acknowledged that, I think the likelihood that that will occur is relatively small.

MR. OMAN: Mr. Chairman, a supplementary. I'm thinking not only of that factor, but of a country like the United States, which is obviously going to have an increasing problem of balance of payments because of the import factor increasing, which I think is now very serious. Therefore they may be forced to do a number of things, one of the most radical of which would of

course be some kind of invasion into some of the OPEC countries.

But I think back to World War II, for instance, when rubber was cut off. They then went into the manufacture of synthetic rubbers. When they set their minds to it and the whole industry went to it, they did it. I just wonder if a crisis like that, which threatened the way of life of people in the United States or North America, wouldn't bring on that kind of thing sooner.

MR. LEITCH: Clearly, Mr. Chairman, the more serious the shortfall, the greater will be the effort by countries like the United States and other energy-consuming countries to find answers. The hon. member has raised the question of invasion and things of that nature. I'm sure any comments along those lines send chills down a great many spines.

But I think there are some very practical reasons that that would be unlikely. For example, I can't conceive of its occurring in those countries in such a way as to prevent the damage to the fields by those who are opposed to the invasion. There are estimates that it would be a matter of years before a country which had moved in on one of these oil-producing countries and had been faced with damage to the wells and the oil-producing facilities — it would be a long, long time before they could be back in production. I have never heard anyone talk of that as a viable alternative, apart from any moral questions of the right to invade or things of that nature. So I don't know of anyone who is considering that as a viable alternative.

I guess the pressures the hon. member speaks of that would come about as a result of increased shortfall would add to the efforts to find an alternative energy source. I really don't believe that that would measurably increase the likelihood of a magical sort of breakthrough on energy. I think a far more practical solution, and one that would be followed — and it's a question of degree — would be energy conservation. Unquestionably in North America we use a great deal of energy, particularly liquid fuels, that we could avoid using in the dire straits that the hon. member's question would place the United States or other consuming countries.

DR. REID: Mr. Chairman, I'm going to ask the minister to change his hat from the oil and gas situation to coal. I presume we're going to go back to oil and gas in a moment.

It's well known that it's an alternative energy only in certain aspects of the generation of large heat volumes and for generation of electricity. My first question to the minister is particularly about the problem that Ontario Hydro is going to have if President Carter follows through with his program of generation of electricity by coal in the eastern seaboard of the United States. From some technical discussions I've had with coal mining people, apparently there's a great shortage of low-sulfur coal anywhere near their market in the United States. There's mostly Virginia coal, which is where Ontario Hydro has been getting its coal.

I also understand from power boiler people that boilers are designed for specific types of coal, and that to get alternative coal really means Ontario is going to have to come to Alberta. It's rather interesting that one of the mines projected at Obed marsh is not looking at Ontario as the market; they are looking at Pacific Rim

countries. I wonder if the minister has had any representations from the Ontario government, since it would appear that Ontario Hydro is not yet interested in the problems Ontario may be in if President Carter shuts the border to the export of low-sulfur Virginia coal, and the effect that would have on the future market for Alberta coal.

MR. LEITCH: Mr. Chairman, the hon. member has raised an often overlooked but very important energy source. I'm not sure whether all Members of the Legislative Assembly are aware that on a BTU basis the supplies of coal in Alberta are roughly equivalent to the supplies of oil in the oil sands which, as we all know, are the largest known petroleum resource in the world. So in coal we have an immense energy source in Alberta.

I suppose I should specifically answer your question. I haven't been approached by the Ontario government with respect to supplies of coal from Alberta for Ontario Hydro. I think it is too early to speculate on just what might happen in the United States with respect to coal. They of course also have an immense coal resource. By and large the development has been rather slow because of alternate energy sources and, until recent years, the availability of large quantities, all they needed, of relatively low-cost oil and natural gas. I'm sure the United States will be moving to increase its production of coal in the near future. At the moment I have no real feel on what they will do with respect to exports in Canada. But clearly if they cut off exports to Ontario, I'm sure Alberta would be one of the very logical sources for Ontario to be looking at for a replacement form of energy. At the moment I'm not sure of the availability of coal in Canada in a relatively short time frame to replace the coal now being imported from the United States by Ontario Hydro.

DR. REID: A supplementary, Mr. Chairman. Obviously one of the problems in moving the large volumes would be the rail transportation system. Several years ago Dr. Berkowitz was working on coal slurry. Is there any idea of trying to use coal slurry pipelines from Alberta to Ontario, or does the minister know if that's beyond the capabilities of those research projects?

MR. LEITCH: Mr. Chairman, I'm not familiar with the current thinking of the industry or of the technical experts in this field on the economics of moving coal by pipeline. I know that within Alberta it is being seriously considered by people in the industry. Now I don't know whether the economics are different for moving coal by pipeline within Alberta than moving it as far as Ontario, but certainly there are people in the industry who consider that as an economic way of moving coal within the province.

MR. BRADLEY: Mr. Chairman, since we're speaking on the subject of coal, I'd like to change from the thermal coal outlook to the metallurgical coal outlook. Two operating metallurgical mines in the province are presently in some difficulty, the McIntyre Porcupine operation and the Coleman Collieries operation in my constituency. I wonder if the minister might give us some idea as to his department's outlook with regard to the long-term metallurgical coal export market.

MR. LEITCH: Mr. Chairman, perhaps my colleague the Minister of Economic Development may have some views in this area.

The hon. member used the question long-term outlook. I think it was appropriately put that way, because we are all aware that the short-term outlook for the sale of metallurgical coal outside of Canada is somewhat limited. The demand for that kind of coal of course fluctuates in harmony with steel production. Currently in the world there is an overcapacity of steel production. Particularly in Japan they're not functioning at plant capacity.

It's certainly my view that over the medium term there is going to be a very high demand for virtually all forms of energy. I would certainly be optimistic that in the medium term we'll have a turnaround in the current depressed market for metallurgical coal.

MR. BRADLEY: A supplementary, Mr. Chairman. I wonder if the minister has had any discussions with regard to the short-term outlook, and what may be done on behalf of the Alberta government to give some relief to the coal-mining industry, meaning the metallurgical industry, either from a viewpoint of re-viewing the royalty formula or in the other area, which has been brought to our attention by the Member for Edson, with regard to freight transportation. At this point, this seems to put our metallurgical companies at a distinct disadvantage with regard to the high cost of transporting our metallurgical coal to the port in Vancouver.

MR. LEITCH: Mr. Chairman, except for the question of royalties I feel that those questions are more in the area of the Minister of Economic Development. I haven't had any requests regarding an alteration in the royalty formula for the metallurgical coal mines in the province. As I recall, we did make some alterations in the royalty formula some time back with respect to coal from Grande Cache.

MR. BRADLEY: One further supplementary, if I may. With regard to the medium-term outlook, has the minister any advice to offer with regard to new metallurgical mines opening up in the province? I'm thinking particularly of the Grassy Mountain mine, north of the Blairmore area.

MR. LEITCH: Mr. Chairman, I would hesitate to give advice to those prepared to risk their money in new ventures. Obviously they don't risk it unless they've made an assessment of their capability of finding a market. Although we as a government help in every way we can to find markets for the coal produced in Alberta, the developers or the people operating the mines of course have the primary responsibility for locating markets. Certainly I would hesitate to offer advice to anyone who feels it's worth while risking funds in the development of new mines.

MR. BRADLEY: A supplementary, Mr. Chairman. I'd like to rephrase my question perhaps. Has the minister had any discussions recently, since he's taken over the portfolio, with Consolidated Coal or Scurry-Rainbow with regard to the Grassy Mountain project?

MR. LEITCH: No.

DR. CARTER: Mr. Chairman, I hope the final supplementary has happened from the Crowsnest.

I have two questions. The first one I'm sure might bring a shorter answer. With regard to my adopted constituency of Cypress, have coal deposits been located south of the Cypress Hills? I understand in northern Montana there are extensive coal deposits which they intend to strip mine at some occasion. If we do have coal, have there been any discussions about developing it, or any conversations with people in Montana?

MR. LEITCH: I can say no to the second half of the question, Mr. Chairman. As to the first half, I don't know.

DR. CARTER: If we might now switch back to gas for a moment. I understand from a recent TransCanada PipeLines information bulletin with regard to the availability of natural gas in Sable Island that they're talking about trying to concentrate on the market in Nova Scotia and New Brunswick, rather than having Alberta gas shipped down the line from Quebec City. Have there been any kind of discussions with regard to that particular project, and what kind of impact that would have on us?

MR. LEITCH: Mr. Chairman, I've been involved in a number of discussions with respect to increasing the markets for Alberta natural gas east of the markets we now serve. I shouldn't say all of them would be east of the markets we now serve, because the transmission system is in place and carries natural gas to Montreal. We have been involved in discussions with respect to what has been termed incentive natural gas pricing, which would involve a reduction in the sale price of Alberta natural gas to penetrate new markets in the Montreal area, and also in building new transmission facilities which would carry natural gas into Quebec City and two Atlantic provinces, New Brunswick and Nova Scotia. That forms part of what is called the Q & M proposal now before the National Energy Board. That would involve increasing the Montreal market, carrying natural gas farther east than the transmission system is now, and taking it as far as Nova Scotia. It would also involve exporting some natural gas out of eastern Canada into the eastern United States.

Another proposal before the National Energy Board is TransCanada's. It's very similar to the Q & M proposal in the sense that it would look to increase markets in the Montreal area, new transmission facilities to carry gas to Quebec City, but would serve the Atlantic provinces with propane rather than natural gas. Those two competing proposals are currently before the National Energy Board.

As to what impact Sable Island natural gas might have on Alberta, I think the first thing we need to keep in mind with respect to that find, which I think all of us are very pleased about, is that it will probably take some further development work and some further successes before that becomes economic in the sense that they have a reserve there that would justify the construction of a pipeline to the Atlantic provinces. So there's something more to be done before that becomes economically viable. I would not regard that as a threat to the sales of Alberta natural gas, because if it did become economically viable and natural gas were piped from Sable Island into the Atlantic provinces, it would simply mean more natural gas would be availa-

ble in Canada for export to the United States. As I'm sure members of the Assembly are aware, in making its recommendations with respect to the volumes of natural gas available for export, the National Energy Board looks at the anticipated Canadian demand 25 years into the future, then at the supply. If it's satisfied there is a sufficient supply to meet that demand, it recommends the surplus be exported.

If Sable Island gas were available in Canada, it would form part of the supply. Assuming there were a total supply in Canada in excess of the anticipated Canadian requirement for 25 years, the surplus would go to the United States. Unless something very startling occurs in the energy field, I don't envisage a time when the United States would not be interested in importing significant quantities of natural gas from Canada.

MR. CRAWFORD: Mr. Chairman, I know that a number of hon. members have indicated a desire to ask questions. I was just going to suggest that it might be appropriate to bear them in mind and deal with them when we call Energy again. On that basis I would move that the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of Supply has had under consideration the following resolutions, and reports as follows.

Resolved that for the fiscal year ending March 31, 1980, amounts not exceeding the following be granted to Her Majesty for Executive Council: \$2,200,050 for Executive Council administration; \$6,481,217 for occupational health and safety; \$10,039,200 for workers' compensation; \$1,796,212 for support to native organizations; \$5,287,101 for personnel administration; \$8,672,800 for natural sciences and engineering research; \$7,472,000 for energy resources conservation; \$129,100 for women's information; \$9,583,183 for multimedia educational services; \$1,532,450 for disaster preparedness and emergency response; \$243,700 for Public Service Employee Relations Board.

Resolved that for the fiscal year ending March 31, 1980, amounts not exceeding the following be granted to Her Majesty for the Department of Hospitals and Medical Care: \$19,079,975 for departmental support services; \$120,710,000 for health care insurance; \$522,731,996 for financial assistance for active care; \$56,693,906 for financial assistance for long-term chronic care; \$53,228,985 for financial assistance for supervised personal care; \$59,745,249 for financial assistance for capital construction.

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, on Friday I described the business proposed for tomorrow, primarily Bills in

committee. The House would propose to sit tomorrow evening.

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