

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Thursday, April 17, 1980 2:30 p.m.

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

PRAYERS

[Mr. Speaker in the Chair]

head: PRESENTING PETITIONS

MR. ZAOZIRNY: Mr. Speaker, I wish to present to the Assembly the following petitions for private Bills:

1. the petition of Roger Motut, Herve Durocher, Francis McMahon, Lucien Maynard, Joseph Moreau, Jean-Paul Bugeaud, Jules van Brabant for The La Foundation de l'Association canadienne-française de l'Alberta Act;
2. the petition of the city of Edmonton for The Edmonton Research and Development Park Authority Act;
3. the petition of the Alberta Wheat Pool for The Alberta Wheat Pool Amendment Act, 1980;
4. the petition of Edna Barbara Dial for The Keith Dial Adoption Termination Act;
5. the petition of R. W. Chapman, F. G. Stewart, L. H. LeRiche, R. R. Francis, E. B. McKittrick, H. McEwen, and D. McPherson for The Alberta Foundation Act;
6. the petition of the Prairie Bible Institute for The Prairie Bible Institute Amendment Act, 1980;
7. the petition of Gladys Marshall for The Warren Dean Boyd Adoption Act;
8. the petition of Sherm Ewing for The Stockmen's Memorial Foundation Act.

head: TABLING RETURNS AND REPORTS

MR. McCRAE: Mr. Speaker, I would like to table a response to Motion for a Return No. 106.

MR. R. CLARK: Mr. Speaker, I would like to file with the Clerk, for placement in the Legislature Library, requests from close to 5,000 Albertans supporting the construction of a northern Alberta children's hospital in Edmonton.

MR. SPEAKER: The Chair is somewhat relieved to find out that these are not notes for a speech to be made in the Assembly. [laughter]

I'm tabling the 1979 annual report of the Legislature Library.

head: INTRODUCTION OF SPECIAL GUESTS

MR. LEITCH: Mr. Speaker, I'm particularly delighted today to be able to introduce 76 lively grades 5 and 6 students from the St. William school in the constituency of Calgary Egmont. They are accompanied by their principal Gerry Kresawaty, teachers Mrs. Clare Gillies, Ron Volk, and Craig Carpenter, and a parent, Mrs. Joanne

Chipera. I'd ask them to now rise in the members gallery and receive the welcome of the Assembly.

MR. HIEBERT: Mr. Speaker, on behalf of Bill Mack, the Member for Edmonton Belmont, I would like to introduce to you and to the members of the House 56 grade 5 students from Kildare school. They are in the public gallery. Would they rise and accept the warm welcome of the House.

head: ORAL QUESTION PERIOD**Nurses' Salary Dispute**

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Labour and ask if he would indicate to the Assembly the present state of negotiations between the Alberta nurses and the Alberta Hospital Association.

MR. YOUNG: At present, Mr. Speaker, there is ongoing discussion with mediation staff with one of the parties to the dispute.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. It's the same type of question I've posed for the last three days. Has the minister at this time become actively involved in face-to-face or eyeball-to-eyeball negotiations with the nurses and the Hospital Association?

MR. YOUNG: Mr. Speaker, it will come as a great assurance to the hon. Leader of the Opposition that yesterday and today, between the hours of 6 last night and 4:15 this morning, I had several occasions to have eyeball-to-eyeball contact with representatives of both parties.

MR. R. CLARK: Mr. Speaker, then a supplementary question, really flowing from the whole nurses' strike situation, to the Minister of Hospitals and Medical Care. Could the minister indicate to the Assembly what hospitals in Calgary and what hospitals in Edmonton will have emergency services available to the residents of the province?

MR. RUSSELL: I'm going by memory now, Mr. Speaker. The provincial hospitals in all cases will be open; that is, the Glenrose and the University of Alberta Hospital in Edmonton, and the Foothills hospital in Calgary. In addition, the Colonel Belcher hospital in Calgary and the Charles Cammell hospital in Edmonton will be providing full services.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. What provisions have been made for patients in the hospitals at Fort McMurray, Grande Prairie, Lethbridge, Medicine Hat, and Red Deer? There are no back-up hospitals in those locations.

MR. RUSSELL: Mr. Speaker, all hospitals affected by the pending strike are successfully completing the necessary winding-down operations and keeping only the basic, minimum number of patients that for one reason or another cannot be moved from those individual institutions. Staffing arrangements are in place to look after those people who will be kept there.

MR. R. CLARK: Mr. Speaker, to the minister. Can the minister assure the Assembly that the emergency wards of the hospitals the minister has mentioned — and I don't hold the minister to those exact names if for some reason one is different from another — can he assure the Assembly that patients from central Alberta, primarily the Red Deer hospital, will have access to the emergency wards at facilities in both Edmonton and Calgary? When I raise the question, Mr. Speaker, I perhaps should add that until last evening the Red Deer hospital had expected that some nurses would be available. The board was advised last evening that they will have to rely totally on supervisory staff.

MR. RUSSELL: Again, Mr. Speaker, we would expect both the provincial hospitals that are involved — I mean the University of Alberta Hospital and the Foothills hospital in Calgary — to make their emergency ward services available to residents throughout Alberta.

MR. R. CLARK: Mr. Speaker, just one last supplementary question to the minister. I ask this question in light of the representation made to me that the University Hospital advised Red Deer this morning that in fact their emergency services would not be available to Red Deer. I would ask if the minister would have that checked and assure the Red Deer hospital that emergency services at the University Hospital would be available to people from the Red Deer hospital.

MR. RUSSELL: Mr. Speaker, I intend later this afternoon to have discussions with the administration of both those major provincial hospitals, because I'm aware of the misunderstanding in communications that seems to be out there. But it should be clear that the emergency wards and services of both those provincial hospitals will be available to Albertans.

Hog Marketing

MR. R. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Agriculture. After the meeting in Red Deer last evening, is the minister able to announce today any steps he has taken as a result of the representation made to him last evening by some 1,200 or 1,400 hog producers in the province.

MR. SCHMIDT: Mr. Speaker, the hon. Leader of the Opposition was at the meeting. I'll give you the same answer that was given to the group last night: an opportunity to review with them concerns with regard to hog pricing within the province of Alberta; the assurances on behalf of the government that we would look at the short-term solutions because of the problems that exist; and an opportunity, perhaps after the short solution, to spend some time on the longer solution for the industry in the way of long-term stabilization, whether it be federal or other means of stabilization.

MR. R. CLARK: Mr. Speaker, to the hon. minister. Mr. Minister, is it possible to give to the Assembly this afternoon any indication of a time line for the short-term solution that the minister has referred to on several occasions here in the Assembly? I ask that question because most of the representation made last night focussed on that question of short-term solution. What kind of time line, Mr. Minister, are producers looking at?

MR. SCHMIDT: Mr. Speaker, it's rather difficult to establish a fixed time line. In the meeting, the hon. Leader of the Opposition would have recognized, of course, that throughout the evening there were perhaps five or six suggestions of ways and means by which the industry could be helped. Of course, sufficient time is required to look into all the aspects of these suggestions that came to us, of financial help or help in other ways — whether it be through interest rates or other suggestions that were made. So it will take some time to come up with solutions following the directions, and to arrive at a solution from all the suggestions that would meet the majority of the demands. But it will be done, and the review will be completed as soon as possible.

MR. R. CLARK: Mr. Speaker, to the minister. Mr. Minister, one area where there was no question about the representation made last evening was that Alberta Regulation 99/80 should be withdrawn. Is the minister in a position to indicate, following the representation made last evening, that he's prepared to consider that representation seriously, very seriously?

MR. SCHMIDT: Mr. Speaker, if one were to look closely at the withdrawing or the tabling of Alberta Regulation 99/80, it states that the date changed from April 11 to October 1, and that a review of the original intent of 99/80 would be ongoing over that period of time. In the discussions we had after the meeting last night, it would appear that there's no direct result of that Alberta regulation's staying in place, and it has little or no effect on the operations of the hog marketing board. October 1 certainly should give us the time element involved, so that all those involved — producer, packer, and indeed all the other areas, the hog marketing board itself, which is representative on the three areas of the independent review — should come up with a workable situation and suggestion prior to October 1 that's acceptable to all three parties in the new system of marketing.

MR. R. CLARK: Mr. Speaker, to the hon. minister. Mr. Minister, is it still the position of the Alberta government that the hog marketing board overstepped its jurisdiction in setting both minimum and maximum prices for the tape? I raise that question in light of the point made last evening by the president, Mr. Price, when he read to the group the opinion of the civil lawyers from the Department of the Attorney General, which I thought made the point very clearly. Is it still the position of the government of Alberta, despite that advice from the Department of the Attorney General, that the hog board overstepped its jurisdiction?

MR. SCHMIDT: Mr. Speaker, if one were to look back at the statements that have been made on behalf of the Department of Agriculture, there has been no question with regard to the hog marketing board overstepping its jurisdiction in the area that the hon. member states — in other words, the withholding of hogs on a basic price. The question of jurisdiction of the hog marketing board was in the physical withholding of hogs from the total market, in keeping hogs on the farms against some of the producers' wishes.

MR. R. CLARK: Mr. Speaker, just one last question to the minister. Mr. Minister, is it the intention of the minister to keep the present chairman of the agricultural

marketing council, Mr. Ferries, in the position he had last evening as chairman?

MR. SCHMIDT: Mr. Speaker, it was stated that the independent review would have the opportunity to review the total operation of hog marketing, and the operations of the hog marketing council as it affects or could affect the marketing system within the province. If any area of the total system requires some changes, those will certainly be taken into consideration.

MR. R. CLARK: Mr. Speaker, to the minister. Mr. Minister, I take it that Mr. Ferries will remain in his position at least until the resident hog expert, Mr. Foster, and his committee finish their jurisdiction or study and make recommendations to the minister.

MR. SCHMIDT: Mr. Speaker, there would be no immediate changes made pending the results of the review.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister for clarification. During the course of the Foster committee's assessment, in which hog marketing in this province will be totally reviewed, why did the government of Alberta not consider — in view of the minister's statement today that the entire question was really going to be reviewed from square one — the option of dropping the regulation in question totally, so that it's not a prospective gun to the head of one of the participants in this review, as opposed to just delaying Regulation 99/80 until October 1?

MR. SCHMIDT: Mr. Speaker, I fail to see a gun at anyone's head. The operations of the hog marketing board have not changed. They have the opportunity to market on the same basic terms that existed before. The only responsibility that we all have is to follow and live within the regulations, in which each and every organization is involved, set up, and have to follow. I suggest that is one of the responsibilities of the hog marketing board, to stay within the rules of the game established in the original set-up of the hog marketing board itself. I see no reason that there is any hindrance to their operations in any way.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister, again for clarification. It is with respect to the question of the rules of the game, and the concern of the pork producers that in fact Regulation 99/80 was a change in the rules of the game. While this has been held in abeyance, my question to the minister is: in view of the fact that the entire question is being assessed now in any event, why did the government not simply consider dropping the regulation, as requested by the overwhelming majority of pork producers, instead of just delaying it?

MR. SCHMIDT: Mr. Speaker, without being repetitious, Alberta Regulation 99/80 was brought in to guarantee the orderly system of marketing for that interim period when the independent review was ongoing. After the meetings, the wishes of the producers themselves that Alberta Regulation 99/80 not be instituted, and in the interpretation of the legal documentation of 99/80 as having exceeded the basic intent, it was never put into operation as of the original date, April 11, was lifted, and now reads October 1. So I see no problem that exists, other than perhaps in the original 99/80 as submitted and

the legal documentation that went with it. Its interpretation was the only one that was in question.

MR. KNAACK: Supplementary, Mr. Speaker, to the minister. It's my information that pork output in North America has gone up 40 per cent over the last two years, and that prices probably won't change until that output is reduced. Has the minister discussed with his colleagues across Canada possible incentives to reduce the farrowings of hog farmers?

MR. SCHMIDT: Mr. Speaker, in doing a total review of the hog market across Canada and how it affects the producers in this province, because we're involved in a North American market, we find that the statement of production throughout Canada and in many provinces, and indeed in the United States, is higher than it has been in the past. Of course, in those provinces which have various programs of incentive to produce, the production is indeed higher. As to the change in the immediate future of hog prices in North America, it is indicated by those who study markets that no immediate rise in markets in the very near future can be forecast.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister for clarification.

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

MR. R. SPEAKER: Could the minister indicate whether the interim measures he is considering would be put into effect prior to the Foster report being presented to the minister?

MR. SCHMIDT: Mr. Speaker, as was stated at the meeting, I think the short-term program and the short-term problem with the hog industry in the province are not tied in any way, timewise, to either the report or the physical aspects of marketing from the independent review board.

Hazardous Chemicals

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. minister in charge of Disaster Services. It concerns the chemical spill last night in the city of Edmonton. Has the government had an opportunity through Disaster Services to do a review of that particular incident?

MR. MOORE: Mr. Speaker, I'm not aware of what action the Disaster Services Agency may be taking today, after the fact of the particular incident. I could inquire as to what the director of Disaster Services is doing. Bear in mind, that the main responsibility of Alberta Disaster Services is to ensure that municipalities and others are well prepared to respond in the event of an emergency. My understanding in this particular case is that the response was immediate and well handled.

MR. NOTLEY: Mr. Speaker, supplementary question to the minister. Is the minister in a position to advise the Assembly whether assertions that the city water department was not notified about this spill until approximately four hours after it occurred are in fact correct? Has the department had an opportunity to review that?

MR. MOORE: No, Mr. Speaker, I don't know whether that statement is correct or not.

MR. NOTLEY: Mr. Speaker, supplementary question to the hon. Minister of Transportation. What steps has the government of Alberta considered with respect to the general question of transporting hazardous goods? Will there be any initiatives undertaken on this matter, pending federal action, as a consequence of yesterday's accident?

MR. KROEGER: Mr. Speaker, I haven't had an opportunity really to go into this. Going beyond the immediacy of this particular incident, I have had conversation with the federal Minister of Transport regarding getting together at the earliest possible date to proceed with the Transport of Dangerous Goods [Act] that was embodied in the former Bill C-25. We have followed that up with written requests for action and our position on it, and have been assured there will be movement on it.

MR. NOTLEY: Mr. Speaker, supplementary question to the hon. minister. In view of the fact that the minister gave essentially the same answer a year ago at this time, is he in a position to give the Assembly any undertaking as to the time frame when we might expect the federal government to bring in legislation with respect to the transportation of hazardous goods?

MR. KROEGER: The response I had from the federal Minister of Transport, Mr. Speaker, was that there seemed to be agreement among provinces. There was urgency about this, and he assured me in the conversation he would move as quickly as possible.

MR. NOTLEY: Mr. Speaker, supplementary question to the minister. Is the minister in a position to inform the Assembly whether "as quickly as possible" is going to be in the next two or three months, or is it going to be a year? Has there, for example, been a commitment by the federal minister to convene immediately a meeting of provincial ministers so that we can look forward to early legislation?

MR. KROEGER: Mr. Speaker, I can't recall the exact wording of the written communication that I have. I'd be glad to get that for the hon. member. But the interest in responding is high, and I would read it that by "as soon as possible" we're looking at the next two to three months. But that's a guess.

MR. MOORE: Mr. Speaker, I wonder if I could add to the comments of the hon. Minister of Transportation and say that officials of Alberta Disaster Services have been meeting with federal officials from time to time over the course of perhaps the last two years on this issue. Those meetings speed up and decrease fairly consistently with federal elections, and there was a period of time in which not much was happening. It's now apparent there will be a meeting of ministers responsible for disaster services from all provinces, probably in early September in the maritimes, where we'll, hopefully, be in a position to conclude some of these matters with the federal government at the ministerial level at that time, if not before. But certainly there will be a meeting later this fall. It's the first meeting of its kind that's been held amongst ministers who are responsible for disaster services. It is to be held, actually, after discussions between myself and the

minister from Prince Edward Island, and an invitation is being extended to other ministers. So at that level that event will occur later this year.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister responsible for Disaster Services. One of the concerns with regard to the incident in Edmonton was that there wasn't anybody available to identify the materials that fell on the street or the type of effects the materials could have. I was wondering whether there is some type of training program in Disaster Services so that various individuals within the city limits or within other agencies can be more prepared to identify potential hazards with regard to various dangerous materials we move around the province.

MR. MOORE: Certainly, Mr. Speaker, I described last fall, I think, a very extensive training program that Alberta Disaster Services has implemented for municipal employees and employees of such firms as the railways which are involved in transportation of chemicals which might be considered dangerous to either humans or the environment.

But I wasn't aware there was any problem with identifying this particular chemical. It was 2,4-D, and if the hon. Member for Little Bow or I had been there, we would have known what it was, either by looking at the can or by smell. I should say as well, Mr. Speaker, that some of the headlines that identify that particular chemical as an extremely dangerous, lethal chemical are overstating the facts. There are 55,000 farmers, including many in this Assembly, who have handled 2,4-D for many, many years. While like many other chemicals you shouldn't drink it, and indeed if it's on your hands or clothing it should be washed off, quite frankly it is not as dangerous as some have portrayed it to be.

MR. SINDLINGER: A supplementary, Mr. Speaker, to either the Minister of Transportation or the minister responsible for Alberta Disaster Services. It's in regard to Bill C-25, the transportation of hazardous goods. Could the hon. minister advise this Assembly whether or not the Alberta government has been monitoring the derailment of liquefied petroleum gas tank cars in the province of Alberta, particularly in downtown Calgary along the main line upon which is situated the Palliser Hotel and Gulf Canada Square?

MR. KROEGER: Mr. Speaker, the Department of Transportation has not.

MR. MOORE: Mr. Speaker, if the hon. member would have an opportunity to read the annual report of Alberta Disaster Services, which I filed with the House about a week ago, he would see in that report an indication of very extensive monitoring with regard to any tank car derailments that have caused chemical spills. My understanding is that the railways and other people involved in that area do in fact report through some system to Alberta Disaster Services on each occasion that there is a spill.

MR. COOKSON: Mr. Speaker, if I could just supplement the question from the Member for Little Bow with regard to identification. Environment works closely with Disaster Services. Now might be a good opportunity to advise the general public that there is an environmental services number which deals with problems with regard to

industrial wastes and hazardous or dangerous chemicals. It's 1-800-222-6514, and it should be in all directories in the province.

Electric Power Lines

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. What response has the minister received from farmers on the recently announced power line relocation plan?

MR. SCHMIDT: Mr. Speaker, over the period of the last two or three years we've had the opportunity to work closely with farm organizations and, indeed, individuals who have found and described various areas of concern with regard to power lines and the detrimental use or the hindrance in irrigation areas. On a very initial base for this year, we've established an opportunity to work first of all with the individual farmer and with the companies involved on a shared program of the relocation of some of the existing transmission lines of 25 KVA and less, where the movement of those either to a suitable road allowance or off to one side of the actual farm itself would enhance the operation of certain irrigation equipment.

We have had the opportunity to provide \$100,000 and up to \$300 a pole on the joint sharing of those areas, that we can sort of get the total co-operation between the company, the individual farmer himself, and of course the Department of Agriculture. It's a start in the provision of perhaps a much better and more usable productive parcel of land by the removal of the power line itself to a more suitable location.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. In cases where it's not feasible to move the power poles, is there any alternative assistance to farmers?

MR. SCHMIDT: At this time we haven't come up with any alternative change or any direct subsidy to the farmer himself, nor have we entered into an agreement for those transmission lines that exceed the 25 KVA, first of all because the line itself in most cases is much larger and more difficult to move, and of course the cost would be much higher. So the only program at the present time is the one I just described. We're monitoring it and working with farm groups in the area.

MR. MANDEVILLE: A final supplementary question, Mr. Speaker. Has the minister given any consideration to bringing in legislation which would require utility companies to pay a yearly rental to farmers where the lines can't be moved?

MR. SCHMIDT: No, Mr. Speaker.

Energy Pricing Negotiations

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Energy and Natural Resources. Could the minister indicate the present, status of the oil pricing negotiations between the federal government and Alberta?

MR. LEITCH: Mr. Speaker, I've had one meeting with the federal Minister of Energy, Mines and Resources, but that was not a negotiating meeting. We concluded that

meeting on the basis that we would have further meetings, and when he had had sufficient time to become familiar with his portfolio and the matters in issue he would be in touch with me suggesting a time for a future meeting. I've not yet heard from him.

MR. R. SPEAKER: Mr. Speaker, to the minister. Would there be any indication from Ottawa or from the minister that by the end of May some of the negotiations could take place or could be finalized?

MR. LEITCH: Mr. Speaker, I don't believe I could speculate as to when they'll start or when they might be finalized. I'm sure all members of the Assembly are aware that we have in place an oil pricing agreement that extends to June 30, 1980.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. During the discussion with Mr. Lalonde did he give the government of Alberta the assurance that discussions would take place with the producing provinces individually or separately? Or was there any suggestion of possibly reverting to the 1974-75 approach of a general conference on energy pricing?

MR. LEITCH: Mr. Speaker, as a result of my discussions with the federal minister, I would anticipate further discussions on an energy package or oil pricing to occur between the government of Alberta and the federal government on a bilateral basis.

Mine Safety

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Acting Minister responsible for Workers' Health, Safety and Compensation. I notice the minister is not here, so I'll ask the question of the Premier. Can the Premier — and I wouldn't expect him to have the information today, but certainly by tomorrow — have either the minister or the acting minister assure the Assembly that there are no other mining operations in the province where, one, inspections have not been kept up to date and, secondly, where recommendations from the department are not being lived up to? I raise the question in light of the comments made by certain employees of that department today about only, one person being on staff and that . . . Well, I'll simply leave it there. Can we get that kind of assurance at a very early date from the government?

MR. LOUGHEED: Mr. Speaker, I'm not aware of the nature of the question raised by the hon. Leader of the Opposition. But in the absence of the minister, I'll take that question as notice and hope that he can be in a position to respond to that question tomorrow.

Pine Bark Beetle Infestation

MR. LEITCH: Mr. Speaker, I wonder if I might correct an answer I gave yesterday when I was referring to pine beetle infestations. I had referred to infestations in British Columbia and Manitoba. The reference to, Manitoba was an error; I meant Montana.

ORDERS OF THE DAY

MR. SPEAKER: Would the Assembly agree that the hon. Member for Wainwright revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. STEWART: Thank you, Mr. Speaker. It's my understanding that we have with us this afternoon a group of 20 grade 12 students from the Dr. Folkins school in Chauvin; accompanied by Mr. Nelson Stoneholder. They have arrived since the session started, so I haven't had the opportunity to meet them. If they are in the members gallery, I would ask them to rise and receive the welcome of the Assembly.

MR. SPEAKER: Possibly I was a bit previous in calling on the hon. member. I'm not aware that those students are as yet in the gallery. Perhaps we could watch, and revert to this item of the routine after they arrive.

MR. STEWART: Thank you, Mr. Speaker.

MR. SPEAKER: I'm sorry, I didn't mean to embarrass the hon. member.

MR. HORSMAN: Mr. Speaker, I move that Motion for a Return No. 111 stand and retain its place on the Order Paper.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

205. Moved by Mr. R. Clark:

Be it resolved that this Assembly urge the government to introduce legislation to appropriate funds from the Alberta Heritage Savings Trust Fund to build a northern Alberta children's hospital as a lasting tribute to Alberta's first 75 years.

MR. R. CLARK: Mr. Speaker, earlier this afternoon, my colleagues and I filed with the Clerk of the Assembly the representation made on behalf of close to 5,000 Albertans with regard to their support for the construction of a northern Alberta children's hospital in the city of Edmonton.

I want to make my remarks reasonably short, because I recognize that at 4:30 this afternoon this debate may very well conclude, and it would be my hope that a number of members on both sides of the House would have an opportunity to express their views on this project, which my colleagues and I consider a very, very worthy one.

Mr. Speaker, many of the people who have been in contact with us on this project have expressed concern for the way the 75th Anniversary projects are being held. I suppose one can talk about \$75 million in our 75th year. But I would suggest to hon. members that one might add another 75; that is, if one looks at the number of young people from Edmonton and the northern part of the

province who in the course of a short period time find it necessary to go outside the province for care, — to Vancouver, Winnipeg, Toronto, Ottawa, Montreal, or the maritimes — we could perhaps add a third 75, and say that the figures may well be 75 or more. Certainly much of the representation which members will find in the information tabled today makes the point that a very good case can be made for this project as a lasting memento to our 75th Anniversary.

As I have indicated, those who have communicated through us to the Legislature are looking for a northern Alberta children's hospital which they can point to with pride in the future and recall the significance of Alberta's 75th Anniversary. Albertans have a sense of history, Mr. Speaker, a sense of pioneering spirit which, when translated into action, means preparing the way for the future. What can more honestly symbolize what this province is all about in this year, the year of the family, than the building of a northern Alberta children's hospital? And what would more honestly symbolize the effort of our great pioneers, whom we are properly honoring in our 75th year, than the hope and faith in the future which is certainly exemplified by a northern Alberta children's hospital? And what could more honestly symbolize what has made this province great — that is, a faith and belief in tomorrow — than a children's hospital serving northern Alberta, the Northwest Territories, and certainly northern British Columbia?

Mr. Speaker, I want to take one moment and say that some members may want to make the argument that a hospital in Edmonton would not serve Calgary and the southern portion of the province. On this occasion I have chosen not to become involved in what may be a suitable project for southern Alberta as far as the 75th Anniversary is concerned. That could be the topic for another debate. But the point I want to make here today is that we're urging the government to allocate in the fall of this year money to commence construction — at the very least, in this our 75th year, to turn the sod for a northern Alberta children's hospital.

Mr. Speaker, in the time available this afternoon one can ask oneself, what should one look at as far as the issue is concerned? Should we look at the economics of a children's hospital — and that's important — economics from two points of view: on the one hand, what are the costs to young people who have to go out of the province as, certainly all members know, many do? That's an economic cost, but it's also a social cost to the children and certainly to the parents. Or I suppose one could say we should look at the economic cost as far as Alberta is concerned. Can we afford it? I think most people would say that if British Columbia, Manitoba, Ontario, and other provinces can afford it, certainly it's within the capacity of Alberta, keeping in mind that there's a hospital in Calgary which certainly meets at least part of the criteria we're talking about today.

Secondly, Mr. Speaker, one could spend considerable time talking about the location of the hospital. It's not my intention this afternoon to become involved in the discussion as to where it should be located: in the city of Edmonton, at St. Albert, or where. Frankly I believe it should be located in the city of Edmonton, and that's no reflection on Athabasca, St. Albert, or any other area.

Mr. Speaker, for a few moments this afternoon I'd like to focus on the need for a children's hospital of this type. I don't plan to spend time talking about some facets of Alberta's 75th Anniversary celebration. I've chosen to leave that out of the discussion so we can really focus on

the question of need and, hopefully, get agreement from the members of the Assembly to include this kind of project in the Heritage Savings Trust Fund appropriations this fall.

I would be less than fair if I gave members of the Assembly the impression that this idea came forward from our office. A large number of concerned Albertans, primarily in Edmonton and northern Alberta, have been involved in this project for a considerable period of time. I commend them for their effort and their community involvement. What I hope we're doing here this afternoon is lending support to that effort, on both sides of the House, so that at the end of our 75th Anniversary, as we look to the future, we'll look back on that as one of the projects which certainly makes us feel proud as Albertans.

Mr. Speaker, the committee, the volunteers who have given so generously of their time, had a study done in September 1979 by Dr. Bain of the Ottawa sick children's hospital. A number of recommendations made by Dr. Bain certainly impressed me. I'd like to look at some of the recommendations, first of all from the point of view of some deficiencies and shortfalls we have in Edmonton and northern Alberta today. Although there are over 500 pediatric beds scattered in the five hospitals in the greater Edmonton area, if we are to get optimum care for young people in the Edmonton and northern Alberta region, it seems to me that we're going to have to pull that together, to have one location where we're going to make our real effort.

Now I'm under no illusion that when one starts to talk about developing a children's hospital in Edmonton, some people in the five hospitals in the Edmonton area that now provide services to children will be less than enthusiastic about the prospects. Recognizing their concerns, I would plead with those people to look above that, to raise their sights somewhat so that we could not look at the direct impact that's going to have on each particular hospital, but look at the good it can possibly do for young people, for northern Alberta, the Northwest Territories, and British Columbia. I'm not in any way being critical of the medical people we presently have, who give yeoman service at all hospitals, especially the University and the Royal Alexandra.

Because patients are in five units, Mr. Speaker, adequate consultation between professional personnel is much more difficult. There is an inadequate number of full-time academic teaching staff to serve even one unit. If we go the direction of a children's hospital, that we're talking about here today, not only will there be encouragement for Albertans of academic excellence to become more actively involved in this area, but it will act as somewhat of a magnet for Albertans who have gone to other provinces and other parts of the continent to come back here.

Fourthly, Mr. Speaker, as I understand the situation in Edmonton today, most of the full-time academic staff is located at the University Hospital, while a great deal of the practising doctors are located in other hospitals across the province. Really what we're saying is that though the academic staff is primarily involved at the University Hospital, that isn't where the bulk of the action is as far as children in the city are concerned.

Mr. Speaker, the Glenrose school hospital is an excellent facility that, because of the age of the institution and because of fragmentation, is grossly underutilized for teaching the increasingly important area of pediatrics, handicapping conditions, developmental and chronic

care. I want to make the point that the motion we put forward this afternoon is not in any way meant to downplay the very fine work that's been done at the Glenrose school hospital. I recall, if my memory is accurate, that it was in the middle 1950s when the idea of the Glenrose hospital was first developed and moved along. I say to the people who have been involved — in fact, one of the first people involved was Dr. Jack Bradley, who is now one of the advisers to the Premier on matters of medical concern in the province — that the work done in that hospital over the past 25 years has been excellent.

What we're talking about here today is the next step forward, a step into the last quarter of this first century of the province. It's our view, Mr. Speaker, that critical care for children should be centralized and adequate staff and resources provided. We feel that that can best be done by the building of a hospital here in the city of Edmonton.

Let's pause for a moment or two and ask ourselves: what are some of the optimal children's services that a hospital in the Edmonton area could provide for northern Alberta and, I want to make the point again, for central Alberta if need be, for the Peace River block and British Columbia, and certainly for the Territories. The position I have developed — and I should say that initially I had to be convinced about this; when we first sat down with a number of people and started to talk about this, I was less than enthusiastic about the development of an administratively autonomous children's hospital. I had no difficulty getting very enthusiastic about the idea of a children's hospital, but I had some real difficulties in setting up another hospital board. Some hospital board members are not nearly as enthusiastic about this project as I am. But from talking to people in the medical community, and others, I've come to the conclusion, I believe the proper conclusion, that such a children's hospital should be administratively autonomous; it should have its own board. Hopefully that would put the hospital somewhat out of the potential for, if I could use the term, scrambling between hospitals as to who would end up controlling this.

It is my belief, Mr. Speaker, that a children's hospital should be adjacent and quite likely attached to an adult hospital, because it seems to me that there are certainly obvious financial savings and a number of benefits also. From the best figures we've been able to pull together, it seems to me that we should be looking at a hospital of between 200 and 300 beds. Now I indicated earlier in my remarks today that, as a minimum, likely 75 youngsters from the greater Edmonton region are involved in facilities in other parts of Canada today. If we add to that youngsters from the northern part of the province, certainly the Northwest Territories, the Peace River block and British Columbia — keep in mind the growth for the future — the range of between 200 and 300 beds seems to meet those requirements as we look a number of years into the future.

Mr. Speaker, it's certainly my view that, as recommended to the group that commissioned the report, the majority of beds should be for the provision of care to gravely ill children with special problems, complex problems. That's where the main focus should be. But it's also important for the morale of the hospital staff and the hospital itself to care for a fair number of patients with acute illnesses who will recover quickly, rather than all patients in the hospital having difficult, complex, or hopeless situations. I think it's also appropriate, Mr. Speaker, that there should be in this hospital a strong research and teaching component as it affects young

people. The resources of the Glenrose hospital for multiply handicapped children must be an intricate part of this next step forward. With the development of this facility, it may well be time that we look at a different role as far as the Glenrose facility is concerned.

I'd like to make two other points, Mr. Speaker, with regard to keeping in mind what should be in this facility. I don't pretend by any stretch of the imagination to be a medical expert, but I do look forward to comments from the member from the Hinton-Edson riding, who perhaps has some views to share in this area. But it does seem to me important, Mr. Speaker, in moving ahead with this kind of project that we have some arrangement so that parents who come great distances can stay in or adjacent to the hospital, and that that becomes a part of the initial planning of the facility so attention can be given to the parents of children in this hospital whose homes are some great distance away. On more than one occasion I have had the opportunity to talk to parents who find themselves in a situation where their youngsters go to Toronto or some other hospital on a very regular basis. They have been very persuasive in making the point to me that that's a vital component of a successful hospital and planning for the future.

Mr. Speaker, it seems to me that Edmonton is in a position to develop a first-rate program at a northern Alberta children's hospital, not only from the standpoint of the type of care that can be provided to young patients, but also a teaching and research centre for not just Alberta or western Canada but all of Canada. Here, it seems to me, we come back to this idea of the 75th Anniversary. Wouldn't it be appropriate that we move on this kind of project during our 75th year.

Mr. Speaker, there is widespread agreement among many professionals involved in this area of medicine that we should move ahead on a project of this nature. As I indicated earlier in my remarks, I'm under no illusion that there is going to be less than enthusiastic support from some hospital boards. Some people in administration in hospitals, for reasons which are very important to them, will be concerned about what's to happen to the over 500 beds available for children in the city of Edmonton today. My plea to those people, recognizing their concerns but also recognizing the growth of Edmonton, is that we raise our sights one notch above that and move on this project at a very early date.

Mr. Speaker, I want to say to members of the Assembly that I look forward to the debate on the motion which will follow. It's my sincere hope that we can have their support on the motion, which I think would leave a real lasting impact on our 75th Anniversary celebrations.

DR. REID: Mr. Speaker, since I was almost invited by the hon. Leader of the Opposition to get in on this debate, I find it difficult to stay in my seat.

In a way, it's a pleasure to rise on Motion 205, because as a doctor, and particularly as a general practitioner, I'm vitally interested in the delivery of health care to people of all ages, from prior to birth right to 95-year-old senior citizens. I think I have some other credentials I can bring to this debate. It happens that in the course of my training I spent a year working in a purely children's hospital of 240 beds which, interestingly enough, fits within the size category discussed by the hon. leader. During that time in that hospital, I learned a lot about the delivery of pediatric care to a university city. But it also covered the whole of the north of Scotland, the Orkney and Shetland islands, and the northern part of

the Western Isles. So we had children brought in by air ambulance — the same type of thing we get in northern Alberta.

It's also been a pleasure of mine, for the last eight years, I think — it might be more than that — to serve as the rural general practitioner representative on the steering committee for the intensive care perinatal units, both obstetric and pediatric. To put that in layman's language, that's the two nurseries at the University Hospital and the Royal Alexandra Hospital that provide care to the acutely ill newborn or, before the child is born, to the mother of a fetus where we anticipate problems.

I would like to mention that it's really been a pleasure to see the development of those two facilities under Dr. David Schiff at the University Hospital and Dr. Neil Finer at the Royal Alexandra. In particular it's been a pleasure to be involved, with Dr. Charlene Robertson at the Glenrose hospital, in the statistical follow-up of those children, and to show just how worth while that program has been. Not only are we enabling little babies to survive who previously did not survive, but in Dr. Robertson's follow-up it's becoming manifestly evident that we are not just salvaging bodies, we are salvaging normal human beings. These children are doing remarkably well, and are indicative of the capabilities of the pediatric services in northern Alberta. They are indeed as good as anything you will find anywhere else on this continent.

Children are not small adults. That may sound like a dramatic statement, but they are not. They suffer from diseases different from adult diseases, and when they suffer from the same diseases as adults, they respond differently. All one needs to do is think of the juvenile diabetic and what a problem he is to control compared to an adult diabetic. They are very active, growing people. Partly out of their enthusiasms, but partly out of their physiological differences, they get into all kinds of problems that the adult, hopefully, will stay out of.

Mr. Speaker, earlier in this sitting, I think I made mention of the highly specialized tertiary care facilities that are under development or already exist in this province: the Walter C. MacKenzie Health Sciences Centre, presently under construction on the south side; the W.W. Cross Cancer Hospital, the southern cancer hospital, which is under construction; the Alberta children's hospital; and, to a large extent, the children's pavilion at the Royal Alexandra Hospital. I think the Walter C. MacKenzie facility alone is currently budgeted in the vicinity of \$250 million. These facilities are to provide a type of care which requires several things. It requires a specific facility with highly specialized X-ray and laboratory facilities. In many instances, it requires specially trained nurses and, quite obviously, certain highly trained specialists in the subspecialties involved in tertiary care.

In addition to those facilities, we are currently involved in approximately another \$1 billion of hospital construction and projected hospital construction in Alberta. The total concept is to provide to Albertans a level of medical care and health care — because it's not all medical — which is at least the equal of anything else provided on this continent. It's a declared aim of this government that we should do that, and I'm sure nobody in this Assembly is going to quibble with that aim.

The problem we get into, really, is what might be described as "the monument philosophy". I think I've already mentioned that I happened to come to this country and this province in 1955 which, as the Leader of the Opposition will remember, was the year of construction of the northern and southern Jubilee auditoria. I would

like to make amply clear that I am not criticizing the construction of those two auditoria. There was a manifest need for those when they were built, and they've served a very good purpose. My wife and I often drive in from Hinton to the opera or symphony at the northern Jubilee Auditorium. We drive in after the office, and after the performance we drive back to go to work the next morning. So I'm well aware of the problems of distance.

The two auditoria are very much more available to the residents of the two cities than they are to the residents of the less developed, rural areas and the smaller cities. I'm not going to suggest we should build more facilities like that in the smaller centres, because obviously they cannot be supported. But it does indicate something I will bring in later in this address: that you have to carefully balance what service is provided where.

Talking about services brings me to the fact that I think we should be discussing programs rather than buildings. Among programs, there are the intensive care perinatal nurseries I mentioned already; there's the delivery of computer-analysed tomography or CAT scans, as they are usually called; there's the provision of certain highly skilled X-ray investigations. But there is also the provision of ordinary primary and secondary level care to children.

That care cannot be provided adequately to northern Alberta in one location only. That's manifestly obvious. Primary care can be delivered in any ordinary hospital with the normal facilities that exist in any hospital of 25 or 30 beds and upwards. Indeed, secondary care can often be delivered in those areas, if there are people with the skills to do it. This city has now reached the stage where to get across the city sometimes takes as long as to travel from one community to another in my constituency, and they are 50 miles apart. So for the provision of primary and secondary pediatric care, one facility in one location of this city would not be adequate. Therefore, of necessity we have to continue providing those levels of care in more than one location within the city. No one will argue that the provision of tertiary care requires the extra facilities the Leader of the Opposition has described so adequately.

I would at this time like to point out that in the new Walter C. MacKenzie Health Sciences complex, there is provision for somewhere under 100 pediatric beds, and those beds will have full access to all the facilities of that new health sciences complex. Other facilities available in the city at the moment are the likes of cardiac catheterization. Until relatively recently, two years ago, it was available only at the University Hospital. It is now available in the Royal Alexandra Hospital, and is of course available to the children in the pediatric children's pavilion at that hospital.

What I'm pointing out, Mr. Speaker, is that at the moment in Edmonton and northern Alberta, we really have a pretty good spectrum of care for children, considering we are looking at a population of 1 million people. If you take the whole province, we're looking at 2 million. The facilities that are on line or under construction or planned at this time, including the new Glenrose hospital, will provide a level of facility and care that very few populations of 2 million can consider, much less enjoy and afford.

There have been meetings on several occasions between the northern Alberta Children's Hospital Foundation, the Minister of Hospitals and Medical Care, and the members of his department. Indeed, a number of us attended a meeting between the MLAs and the members of the

foundation a short time ago, and Dr. Jones and his confreres were extremely eloquent and very capable at getting their message across to us. But, for their benefit, we also get messages such as the meeting a caucus committee had with the College of Family Practice, who very ably put the other side of the coin I have already discussed: the provision of primary and secondary care, the levels of care much more frequently required than the tertiary care provided by subspecialists.

What we really come down to, Mr. Speaker, is that we have to provide multiple levels of care. We have to provide them where they are needed or where they can most suitably be provided. While I am not in any way being negative to the idea of a separate children's hospital, I am saying that it is not the time to be trying to put it into the 75th Anniversary celebrations. Hospitals should be built according to need and timing, and a proof of that need. I am not at all convinced at this time in 1980 that the need for a separate children's hospital has been adequately demonstrated, in view of the capabilities we currently have in northern Alberta to deliver pediatric care.

I am mindful of certain other factors that affect the construction of a particular facility for children only. When we take that tertiary level care into that building, it will be much less accessible — admittedly at some inconvenience to the doctors concerned — than it is at this time in the community hospitals. At the moment we have the Misericordia Hospital providing community level care in the west end. We will have another hospital in the northeast part of the city, and one in the southeast part of the city. Those hospitals of 400 beds will, of necessity, provide secondary level care. We will require pediatricians to help deliver that secondary level care. If those pediatricians become isolated in their own little enclave in a 300- or 250-bed pediatric hospital, they will, of necessity, be less available for that secondary care.

On the subject of actual facilities, I have seen movies — and other people have seen them — and read books about the special needs of children in the facility. A very good case can be made for separate emergency facilities for children as opposed to adults. A very good case can be made for the different decor and decoration of the building. A very good case can be made for separating the nurses who deal with children from the nurses who deal with adults, not because of the skills they require, but because of the experience they acquire in handling children and in dealing with them.

But surely we do not need to isolate those people in a separate building. It should be possible, in a facility the size of the Royal Alexandra, or the Misericordia, or the University Hospital, to allocate nursing staff or to allocate rooms and a waiting room in the emergency department for children. Surely, with all the administrators these hospitals have nowadays, they can do that simple process of separating the staff and rooms for children from the staff and rooms for adults. It doesn't mean we have to go off to a separate building. If we need additional radiological machinery, I'm quite sure the minister and his department will provide it, if it is proven to them that it is needed.

What I am saying, Mr. Speaker, is that surely, with some intelligence, we can, with real forethought and concentration, develop the hospital facilities required for children in northern Alberta. Whether they require a separate building, I really think has yet to be decided. I would like to listen to the debate and opinions of other

people as to what they think of the subject.

Thank you.

MR. NOTLEY: Thank you, Mr. Speaker. I rise to support the motion we have before us this afternoon. As the hon. Member for Edson pointed out, several weeks ago Members of the Legislative Assembly were given the opportunity of meeting with representatives from the northern Alberta Children's Hospital Foundation. The member has very fairly pointed out that during the course of that evening, representation was made on behalf of a separate children's hospital in the city of Edmonton for northern Alberta. Of course, prior to that meeting most of the members of the Assembly had been approached, in some cases, I'm sure, by constituents who were particularly concerned about this issue. Most of us were also briefed on the study by Dr. Harry Bain, that the Leader of the Opposition referred to. As a consequence of his reference to that particular submission, Mr. Speaker, I don't intend to go over the points Dr. Bain made, except to say that in reading the study I'm persuaded, notwithstanding the eloquent efforts of some to argue against a separate children's hospital, that we should move in that direction.

Now should it be a heritage commitment; should it be a 75th Anniversary commitment? Mr. Speaker, I must confess that I am less concerned about how it is done, than that it be done. Whether it is done as a 75th Anniversary commitment — that would be very nice. But frankly, I'm sure most of the people working actively on behalf of the children's hospital foundation would not worry too much under what particular heading we decided to make the commitment, except that it be undertaken as soon as possible.

During the discussions that took place several weeks ago, I was quite impressed to learn that other provinces in Canada have moved in the direction of establishing separate children's hospitals. It's my understanding there is presently one in the city of Halifax. In the city of Montreal there are two separate children's hospitals, one for English-speaking Montrealers and one for French-speaking Montrealers. We have the Hospital for Sick Children in Toronto, that Dr. Bain, who prepared the study I referred to a moment ago, comes from, and similarly, a hospital in Winnipeg. Mr. Speaker, just because other parts of Canada have moved in that direction doesn't necessarily mean we should do so too. But the arguments presented for such a facility lead me to the conclusion that we should proceed.

I thought the hon. Member for Edson made a very valid point when he said children are not small adults. Certainly that was the rather forceful presentation members of the foundation made to MLAs when we had an opportunity to meet with them. You really can't compare the situation between adults on one hand and children on the other. The Member for Edson properly pointed out the concerns with respect to emergency services, how frightening emergency services, which many of us might take rather nonchalantly, or at least perhaps in somewhat less intimidated fashion, can be for a child. The member also talked about the decor of rooms and about the experience nurses who continually work with children have and build up, experience which allows them to work with children in a way which reduces the frightening aspect of being in a hospital. Frankly, the arguments the hon. Member for Edson made lead me to the conclusion that we have to take a very close look at a separate facility. His observation is that it can be done without a

separate facility. I would question how effective it will be without a separate facility.

Just very briefly referring to Dr. Bain's report, one of the observations that particular gentleman made is that because at the present time patients are dispersed in five units, adequate consultation services are impossible without serious logistic problems. I suppose one can overcome those problems. But if they exist — dealing with busy people — surely that is one of the impediments to the best possible service. Dr. Bain also mentioned the inadequate number of full-time academic teaching staff. The Leader of the Opposition made reference to it. Also, I came to the conclusion that although we have over 500 pediatric beds in the five hospitals, there really are no appropriate back-up services available at the present time. Then, of course, he made the observation about emergency facilities, that the hon. Member for Edson alluded to as well.

Mr. Speaker, with those observations in mind, it seems to me that we can look at the construction of this kind of facility. As a member from northern Alberta, I can testify to the concern of many people outside the Edmonton area about having a facility of this nature in northern Alberta. I suppose we can argue decentralization all we like. But no one, including the Member for Edson, is suggesting that we're going to scatter children's hospitals all over the province of Alberta. That just isn't feasible. We have to have a degree of centralization. I guess the crux of the question we have to address is whether some of the services we all agree on — that Dr. Bain makes note of in his survey, that the Leader of the Opposition mentioned, that the Member for Edson mentioned — can be done appropriately and efficiently on a somewhat scattered basis, in five different institutions in the city of Edmonton now, or whether we can have a generally better system if we centralize it in one children's hospital.

Mr. Speaker, the foundation is strongly of the view — and I don't pretend to have any expert knowledge in this field at all. But the arguments they present for the advantages of centralization, where you have people with specialties, the kind of environment which is conducive for children, staff who are working with children: having all these facilities and back-up people, if you like, co-ordinated under one roof — and everybody admits it should be adjacent to one of the hospitals in the city so there can be shared services — would lead to a better overall standard of service for children in the province of Alberta.

Mr. Speaker, I conclude my brief comments on this motion by saying that I strongly support it in principle. An argument can well be made that it should be constructed as a heritage investment. I suppose it's a truism, nevertheless valid, that our children are our best heritage. So the commitment of money from the heritage trust fund for this kind of proposal is not unreasonable. Whether we do it as a way of commemorating our 75th Anniversary — I think it would be an appropriate way, but I don't think anyone who is pushing for this particular proposal is so hard-and-fast committed to it being the 75th Anniversary that the hon. Leader of the Opposition or the foundation would worry a great deal if the sod-turning ceremony didn't take place in October this year, but in October of next year. If we got the commitment to proceed, that's the thing that people are concerned about. I conclude my remarks, Mr. Speaker, by saying that the idea has a great deal of merit and I hope that hon. members support the resolution.

MR. KNAACK: Mr. Speaker, it gives me a great deal of pleasure to be able to participate in this debate, and to make my comments. I think the issues have been identified. The issue basically is whether a northern Alberta children's hospital — and from now on I'll call it a northern Alberta child care centre, because that's really the concept the way I understand it — whether concentration of the programs in one building will provide a higher level of health care than programs in different hospitals and, if the conclusion is reached that it does, what priority it should have and when it should go ahead. I'll address my remarks to those two points.

We as Albertans have prided ourselves in setting standards of excellence which are among the highest in Canada and North America, especially standards of excellence with respect to health care. The issue is whether this standard of excellence is presently achieved in the care of our children.

For the purpose of my comments, I'd like to divide the health care service into five categories, just for reference. They'd be: primary care, secondary care, tertiary care, emergency care, and a term I've made up, which I call psychological care. By the latter I mean an attitude or approach to treatment in a hospital that recognizes the difference between children and adults. As was pointed out before, a child is not a miniature adult, and requires special attention with respect to psychological development, along with the physical treatment.

I've met with several directors of the northern Alberta Children's Hospital Foundation, and attended the presentation as well. In my view they have made a convincing case that children's emergency and tertiary care are in need of upgrading, and that the present environment in which children are treated can give rise to serious psychological consequences.

When discussing a northern Alberta children's hospital, I am referring to a child care treatment centre, not merely a tertiary care specialist centre, although that would be a component of such a child care centre. As well, by speaking in support of a northern Alberta child care centre, I'm not suggesting the closure of pediatric beds in the general hospitals in northern Alberta or in Edmonton. On the contrary, beds should be retained for community primary and secondary care.

As I see them, the benefits of a child care centre in northern Alberta would be as follows. It would be staffed by individuals interested in working with children. That in itself has a benefit. It would be, staffed by nurses and other support staff specially trained to treat children. It should be noted in this regard that some diseases and conditions in children may have different consequences and require different approaches than a similar disease in an adult. The child care centre would attract specialists not now in Alberta and, as a consequence, a team approach can be developed that's not possible now. In addition, specialty services would then be available that are not now available. We would then have an emergency department that is both trained and equipped to deal with children. Perhaps equally as important as the other four is that such a children's medical centre would be sensitive to the different psychological needs of a child.

As well, some broader questions are involved that relate to the timing of such a hospital. There are questions about whether matters such as child abuse, emotional problems of children, and drug and alcohol problems of children should be treated in such a hospital. Care of these problems lies beyond the traditional bounds of medicine, and is not now provided in our larger hospitals.

I'm convinced, therefore, that a child care centre for northern Alberta will significantly improve the health care of our children, and I support the concept. However, as government members, we also have to set priorities. The Walter C. Mackenzie facility in Edmonton will cost \$250 million and will be one of the finest facilities of its kind in the world. Two general hospitals have been announced by this government to serve the Edmonton area. At present there are over 500 pediatric beds, with an occupancy rate of 60 per cent. Notwithstanding these facts, I believe a northern Alberta child care centre should receive priority in this government's future consideration of hospital construction.

I'm aware that the northern Alberta Children's Hospital Foundation is now in the process of preparing further information which would indicate the need and the degree of urgency of establishing such an institution. It is not available for the benefit of the members at this time, and I think that very much addresses the question of priority. I would therefore suggest to this Assembly that we debate this motion again, rather than voting on it today. Probably by the fall we'll have that information, which will help us in addressing this particular question of priority with a greater amount of factual information. I also wish to thank the members of the northern Alberta children's institute for informing me and I'm sure, other members, of the concept of a children's hospital or a child care treatment centre and of the different benefits of having such a centre in Alberta.

In closing, I would like to say again that I think the concept of a building which would be a child care treatment centre has a lot of merit. I support the concept. The question of priority — in other words, the question is not if we should have one, but when — will be addressed when we get further information from the northern Alberta Children's Hospital Foundation.

Thank you.

MRS. EMBURY: Mr. Speaker, I'm very pleased to speak today on Motion 205, for a variety of reasons; I guess first and foremost because I'm probably the only one, or one of the few southerners in the province, who are speaking on this motion. Secondly, I would like to speak as a nurse. I'm well acquainted with the facilities of a free-standing children's hospital. Also, I have been personally involved, through my own family, in utilizing the services of a hospital such as we're talking about today.

I suppose I really should chide the Leader of the Opposition very slightly for being so kind as to consider some special benefits for our northern city of Edmonton. I haven't quite figured out why he has not addressed the matter of Calgary, and what he would see as the priority down there for the 75th Anniversary. Mind you, I'm quite assured that the people of Calgary will come up with their own ideas, [interjection] But I notice that today he has purposely directed his motion just to the northern part of the province. It's also interesting, unless I am mistaken, that this resolution was not raised by the Leader of the Opposition in the International Year of the Child. That would have been a very appropriate time to do this, but I suspect the northern foundation was probably studying this issue in great detail during that year.

I think the foundation should be commended for the amount of work they have obviously put into studying the matter of a children's hospital for Edmonton. I understand they have met several times with MLAs from the northern part of the province and with the Minister of Hospitals and Medical Care. No doubt they will continue

to study the needs, as they see them, and present those to government.

I'm particularly pleased to have the opportunity today to speak on this motion. I'd like to take you very briefly over the history of one of the outstanding children's hospitals in western Canada. Probably most of you who at some time in your lives have visited Calgary have been aware of our hospital down there. I think the present name of the hospital in Calgary is very significant. It is now called the Alberta children's hospital.

Historically, children's hospitals were established because medical and surgical needs of children were not being met in pediatric facilities which were part of a general hospital. That was the case in Calgary. In 1922, the Alberta division of the Red Cross Society built a 26-bed facility which was called the Junior Red Cross Crippled Children's Hospital. Seven years later in the southwest location a new hospital was built with a capacity of up to 50 beds. At that time the patient care emphasis was on long-term or chronic conditions, primarily orthopedic cases. For some of us who may have been around or may have read medical stories of those days, this was also the era of poliomyelitis or infantile paralysis.

In 1949, construction started on a 128-bed hospital at the present site. It's an extremely pleasant site in the southwest, almost the central core of Calgary. It's located on the brow of the hill, so there's a commanding view of the downtown area of Calgary. The hospital opened in 1952.

Six years later the Red Cross transferred the hospital to the Alberta Children's Hospital Society. This society was composed of private citizens dedicated to the cause of assisting handicapped children. However, one stipulation of the transfer was that orthopedically handicapped children would still be treated. At this time, emphasis was placed on classroom teaching and other services. Those statements probably sound very simplistic to us today, but for anybody who walked through those very narrow hospital corridors and really understood the amount of supplies and money poured into having teachers come and teach these young children, it was a major step for this hospital.

The hospital did accept children from all parts of Alberta and, amazingly enough, from our neighboring provinces too. As a matter of fact, 30 per cent of total days of care were provided for patients from outside Calgary. During this time, orthopedic cases began to decrease. So, the services were opened to all medical staff for all pediatric cases up to 16 years of age. In 1972 the hospital was established as a provincial general hospital.

If anybody has been to Calgary recently, he will have seen major construction going on at the site. The money has come from the Alberta Heritage Savings Trust Fund. It's investing an estimated total of \$33 million. As the Member for Edmonton Whitemud alluded, today these are not called children's hospitals but come under the name of child health care centre.

I would like very briefly to mention some of the points Dr. Bain raises in his report, because I think they exemplify the benefits of a free-standing children's hospital. I think they're important considerations, and I believe the Member for Spirit River-Fairview alluded to some of the advantages. First of all, it does bring about a concentration of patients in the pediatric age group in a facility that is one hundred per cent dedicated to the care of children. There is a strong commitment by staff members to

promote and protect the welfare of children in the hospital and in the community. The dedication is toward the prevention of disease. Therefore, there is emphasis on outpatient services, assessment centres, emergency services, facilities for diagnosis and management of psycho/social problems.

Through a personal experience in my own family, I utilized the services of the children's hospital in Calgary. I must admit that when you are taking a child for examination or treatment, it is most reassuring in a hospital the size of the one in Calgary to have a barrage of orthopedic specialists, six or eight of them sitting together as a team examining the patient and making a diagnosis. As a parent you well appreciate the fact that your child is probably receiving by far the best medical advice possible. In a centralized facility it is often easier to recruit staff and the necessary expertise to look after children, with the concentration of adequate numbers of patients and illnesses of all varieties.

Many students from the University of Calgary nursing faculty also utilize the services of this pediatric hospital. They find it advantageous from the point of view that there is a cross section of varying conditions of children. They also have the expert advice of nurses and other staff members who have been in that type of service for many, many years and are indeed extremely dedicated, and of course the expert advice of the specialized medical faculty.

The hallmark of a pediatric centre, too, is the pursuit of research and investigation into unsolved problems of medicine and medical care. One of the debates that has been mentioned today is whether a children's hospital should be free-standing or attached to a medical centre or university. I think one interesting point is that the 150-bed Winnipeg children's hospital became part of a 1,200-bed health science complex. Even though the Winnipeg children's hospital had started from a position of strength in the community and at the bargaining table, its staff now feels that the needs of children have not been dealt with as fairly within the large health science complex. So in many ways I think we are indeed very fortunate to realize that the Alberta children's hospital in Calgary is a free-standing institution.

It also becomes a community resource and a source of pride for the people within the community. It will be the focal point in a community, for the setting of standards of child care. Hospitals such as a children's hospital also become a focal point for volunteers. In fact many of the earlier children's hospitals were established through the efforts of women's volunteer groups. These programs serve a great need not only of the hospital but of individual volunteers. Generally the boards of trustees of children's hospitals also are a very special group of volunteers. The uniqueness is that they become involved in every aspect of hospital life, especially the roles of the hospital in the community and as the voice of children.

It is certainly recognized that children's hospitals are unique institutions. When one looks around the world, they provide the best possible care for children. The best training programs are centred in these hospitals, and they provide a sound environment for research.

However, having said all that, I would like to point out that I think the hospital in Calgary, that we're so very proud of, does serve the needs of the people of Alberta at this time. It's not to negate the efforts of the people in Edmonton to look at the needs of this part of the province. Eventually other centres in the province may also feel they need it. I think the question we have to look

at in our role is: how many of the specialized services can we provide, and where should they be provided? I know that when the medical research foundation Act was passed, there was also, I suppose, talk by many people, many specialized doctors in Calgary, about setting up various Centres down there: straight orthopedic centres, gerontology centres, and many, many other concerns. I think these are all viable ideas and, hopefully, something we will be moving to in this province. But I think the questions for us as legislators are: how many of these services can we support in this province, where should they best be located, and who should staff them?

As mentioned by previous members of the government, I think today we are dealing with a question of priorities. The \$1.25 billion hospital construction program alone, right across this province, certainly indicates there is a strong priority for hospital construction. Also money from the Alberta Heritage Savings Trust Fund is being poured into hospital construction. Special centres, like the Walter C. MacKenzie Health Sciences Centre in Edmonton, are a priority of our government at this time.

One of the other questions I think we have to consider in this discussion is the pros and cons of the free-standing children's hospital. As mentioned by the member for Jasper, there have been presentations by other people, such as the family practitioners, with some concerns about having a specialized hospital built. They feel it would really restrict them, and that the best place for more pediatric beds is still in a general hospital. So at this time we feel we have to look at the timing of this desire for a hospital, we have to look at the needs of the northern part of the province, and we have to look at the priorities we have set as government.

Thank you.

MRS. FYFE: Mr. Speaker, I also would like to compliment the members of the Alberta Children's Hospital Foundation for the work and dedication they have put into this project. The president and at least two of the directors live in my constituency, so they keep me informed as to the events and the work they're doing. I certainly commend them very sincerely for the extreme amount of work they have accomplished.

Relating to Motion 205, that is before us today, I say first that I support the intent of a children's hospital and the services that type of facility would provide. I have some difficulty with the motion itself, but I don't think that is necessarily relevant in this afternoon's debate. There are certainly advantages in a facility that would centralize or specialize treatment that relates to children. In some of the material the foundation has provided us with, they've set out a great deal of information and, for a lay person like me, set it out very clearly and very understandably. They've set out areas that would benefit, such as surgical equipment designed for the specific needs of infants and children. They've set out arguments in favor of medicines and intensive care facilities. I think one of the strongest arguments in favor of a facility such as this is the fact that it would centralize and would attract specialties we do not have in the northern Alberta region — and I'm not familiar with whether the Calgary facility has these specialties — such as endocrinology of which, I understand, there is some lack within this region.

Having had the personal experience of going to a large medical centre, the Mayo Clinic in Minnesota, having travelled there first-hand and seen that kind of operation where you do not have any kind of magic or supermedicine, but an attitude toward medicine that is very posi-

tive, that includes the patient and includes a very strong dedicated team approach, I think the greatest argument in favor of a children's facility is to encourage a team approach and encourage the specialization within children's medicine that we do not have or is not adequate at this point in time.

There are advantages in economy of scale, in trying to centralize the equipment in one facility rather than trying to develop a number of different facilities throughout this region. I think it's always a concern for government, particularly one that provides close to 100 per cent of hospital costs, that we not encourage development of two, three, or four separate specialized areas, but that we work toward the development of one child care facility.

One of the arguments put forward by the foundation is that Edmonton is one of the few major cities in Canada that does not have a children's hospital. Well, I would like to comment on the fact that compared to Ontario, where there has been the oldest children's hospital, and compared to Winnipeg, Alberta has had a smaller population, and I don't think we have had the children in need of care to support this type of facility. But as our province grows and the number of children within our province grows, over the last few years the need has become more apparent. I think we can look to this type of a facility in the future.

One consideration in planning this type of facility is the existing beds within our active treatment hospitals. There's one hospital within my constituency, the Sturgeon hospital. I know the residents of my constituency would not want to give up the majority of their pediatric beds. So in the balance in providing this type of facility, I think we have to examine very carefully the programs we have in place now. I think the member from Edson-Hinton . . . Edson?

DR. REID: Edson.

MRS. FYFE: He just said a minute ago that everybody gets his constituency mixed up.

The Member for Edson commented that it is important that we look at programs or services that are provided, and not just the structure. At the dinner the foundation had, we discussed this exact topic with one of the pediatricians at our table. He advised us that the structure was not as important as concentrating our programming.

So while I know that I support the concept, I think it must be done only after a very thorough analysis of the need within northern Alberta, and particularly within this region. I think it is absolutely essential to understand the need, so that when we're setting our priorities for pediatric beds, for care of children, it is based on fact. As the Member for Edmonton Whitemud suggested, further information will be coming to us in the very near future. To me it is extremely important that we have it, and I would urge the government to acquire as much information and analysis of the existing situation as we can, so that the decision will be based not just on the desirability or the want but on the need.

Thank you, Mr. Speaker.

DR. C. ANDERSON: Mr. Speaker, it's a pleasure for me to rise to speak on Motion 205.

I was a bit surprised that it took quite this long for this topic to be brought up in the Legislature, seeing that the topic had been around all last year, the International Year of the Child. I was approached on several occasions last year, being involved in day care and going to Interna-

tional Year of the Child meetings about the children's hospital. I feel the society has done a good job in lobbying and presenting its view of the need for a children's hospital.

Mr. Speaker, I was a little awed by the statement the Leader of the Opposition made, that at the present time we're only providing yeoman service in pediatric care and needs in the city. I think we have some of the best facilities and care here in the city. It's not necessarily the building that provides the care; it's the program. If we have anything to do, we need to adjust that program.

Mr. Speaker, I have several pros and cons to give. I would not like to start on the pros and then not be able to give the cons, or otherwise, so at this time I'd like to beg leave to adjourn debate.

MR. SPEAKER: Debate is of course automatically adjourned because of the lack of time.

head: **PUBLIC BILLS AND ORDERS
OTHER THAN
GOVERNMENT BILLS AND ORDERS
(Second Reading)**

**Bill 202
An Act to Amend
The Builders' Lien Act**

MR. GOGO: Mr. Speaker, I move second reading of Bill 202, An Act to Amend The Builders' Lien Act.

Mr. Speaker, in addressing second reading I think it might be important to go over both the motivation for me sponsoring this Bill and the history of The Builders' Lien Act in Alberta, and then speak to the Bill itself.

Most of us, Mr. Speaker, as legislators — I say most, not all — have very little legal background. Quite often, when we get into pieces of legislation, it seems we tend to become wrapped up in the words in the statutes and perhaps lose sight of the objective which, I suggest, is to enable Albertans, those in our jurisdiction anyway, to live better lives with government being minimally involved in their lives. However, with the passage of time and necessities, I guess, we invoke statutes that have profound impact on peoples' lives. One of those is the Bill we're addressing today. For example, I'll just quote part of the present Act, under Section 30:

Where, in respect of work done on or material furnished for an improvement,

- (a) something is improperly done, or
- (b) something that should have been done is not done,

at the time when the thing should have been done and if at a later date the thing improperly done is put right or the thing not done is done, the doing of the thing at the later date shall not be deemed to be the completion of the work or the furnishing of the last materials . . .

and on and on and on. I suggest, Mr. Speaker, that notwithstanding our legal friends in the Assembly, most of us would have a little difficulty understanding the wording of that statute.

Is it any wonder that in Alberta, where we have such a tremendous number of small businessmen trying — I suggest, earnestly — to earn a living and sometimes make a profit, when faced with some of the legalities built in the statutes, [they] have difficulty not only understanding them but complying with the terms of them. Inevitably

one receives the age-old advice: when there's confusion, hire a lawyer and he will straighten it out. I suggest, Mr. Speaker, when you do that you invoke two things: one, sometimes an interminable delay, which proves to be costly because the meter is running; and second, when it's dealing with customers, the feelings toward some of those customers turn out to be antagonistic.

For members who perhaps haven't read the history of The Builders' Lien Act, I'd like to spend a moment or two on the history as it's evolved in the province of Alberta. It really started in 1960 with The Mechanics' Lien Act. Back in those days, when we didn't have such a competent Minister of Labour or perhaps the labour Act wasn't as involved in the lives of workers in terms of protective devices as it is today, The Mechanics' Lien Act was primarily intended as a way whereby a man, who by the sweat of his brow had spent time on work projects, was assured of redress and indeed justice in terms of getting his wages. The time period allowed in those days was rather practical. It was 35 days for wages, but much longer for other types of materials under the Act, such as if you were dealing with pipeline companies and other goods. It obviously drew a fair amount of attention because, in 1970 — after a great deal of initiation by people who were unsatisfied with The Mechanics' Lien Act, I believe — the government of the day called a public inquiry under Judge Buchanan. It dealt with many issues. Perhaps the most important was the one I'm attempting to move today; that is, the time period in which a lien could be lodged or invoked with the registrar, to protect peoples' interests.

As a result of that public inquiry, Mr. Speaker, there were major amendments to the Act. Perhaps the most important or notable one was the change of name to The Builders' Lien Act. One assumed that The Mechanics' Lien Act wasn't very realistic; it was interpreted to mean, I suppose, working on farm machinery, an era which we not only appeared to be coming out of, but indeed did come out of, and we got into the construction industry.

Other major changes resulted at that time, Mr. Speaker. All those under the previous Builders' Lien Act, The Mechanics' Lien Act as it was known, went into a common 35-day time frame for registering liens or grievances, or whatever they were termed. In 1972, with major amendments to the Act, there was established — and rightly so — the builders' lien fund. Fifteen per cent of the costs of a project were put in a special fund for the protection of those who would be making liens against that fund.

Perhaps a year ago, Mr. Speaker, I was approached by many small businessmen in my community. One was a plumber, another was an air-conditioning firm — a small firm, the sort of thing that Alberta is built on, two partners. It was unfortunate that the project they air-conditioned — why, I don't know — was a liquor store owned by this government. It wasn't big money; it was \$12,000. But, I suggest, it was extremely big money to them. They found out . . . [interjection] Pardon?

MR. HYLAND: It's still big money to me.

MR. GOGO: Big money to the Member for Cypress, as indeed many farmers would attest here, especially the ones who aren't fortunate enough to go to Hawaii each year.

MR. HYLAND: I'm one of them.

MR. GOGO: Two building supply companies asked me if there was not some way in which legislation could be amended to help them. As a result of their inquiries, Mr. Speaker, I looked at The Builders' Lien Act, particularly Section 30, which deals with the time period in which a person is legally able to lodge a lien. Now, being from Lethbridge we're not as fortunate as some of those members of the Assembly from Calgary and Edmonton. As we members of the Assembly all know, we only have to mention one city when we deal with things like the Land Titles Office. We know that when one gets one, the other gets the same, and it goes on and on and on. So if I use Edmonton, please understand that Calgary has the same thing; or if I use Calgary, then please understand Edmonton has the same thing. The one exception, I guess is the AGT tower. But that's only temporary, as I understand.

AN HON. MEMBER: I'll write that down so I don't forget it.

MR. GOGO: Mr. Speaker, I'll deal primarily with a supply company, because I'm rather familiar with — there are two of them actually. When somebody is building a home or other type of building, the common practice is to go to a supply dealer and order supplies. Of course it's customary, if you are, for example, Revelstoke, a large conglomerate, to have the ways and means of checking out the credit worthiness of the person buying. But small companies like ABC Lumber Company and other small firms don't really have the sophistication of investigating credit worthiness. Or if it's a building boom, such as we had three years ago in my area, the very competitive nature of the business meant they did whatever credit check was necessary to establish a line of credit, and then advanced the supplies.

Many of us know, and it's applicable in all types of businesses, that the person who is interested in getting something for nothing would, whether through intent or not, sometimes purchase a small order two or three consecutive times and pay for it. Then would come the whammer, and they'd order \$10,000, \$20,000, or \$30,000 worth of supplies. The normal time period of credit issued in Alberta — again not machine dealers, where they might deal in years — is generally 30 days.

The nub of the problem, Mr. Speaker, is that someone will purchase various goods or materials from a supplier, they'll be billed, and 30 days rolls around, plus one or two. Particularly the small businessman gets a little anxious if the bill is greater than \$500 or \$1,000. Invariably he makes a phone call to the customer; a friendly phone call, because he doesn't want to lose this chap. And the response is always, well, my cheque is in the mail. So with the respect we have for Her Majesty's service, we wait three, four, five, six days, perhaps longer, and it has not arrived. The warning bells go off, and somehow in the back of our mind our chartered accountant or our bookkeeper or whoever says, gee whiz, we got taken on this a year ago; perhaps we should register a lien.

Well, as you know, with the 35-day period that's not possible. As a matter of fact, I suggest that if you live in places other than Calgary and Edmonton and want to do things by mail, you'd better allow a week. Maybe one of the options to extending this 35-day period to 45 days could be like Manitoba. Manitoba has a system like Alberta has with liquor stores. Wherever we have a population of more than 12, we seem to establish one of those places. I think Manitoba has nine or 10 land titles

offices throughout the province. They seem to believe that the purpose of land titles is to serve the people, and it's probably not a bad idea. But as you know, we established one and then we had to give another one. But there are only two in this province, even though there are people who live in places other than Calgary and Edmonton.

So, Mr. Speaker, for the small businessman, the sheer mechanics of trying to register that lien are just too difficult. So what's he done? Well, you know, Albertans are not only entrepreneurs but they're somewhat ingenious and sometimes pretty bright, so the practice has developed that when you send the customer the invoice for the supplies, you send a lien to the Land Titles Office. And people think, well what's wrong with that? Well, what's wrong, Mr. Speaker, is that where 10 years ago there were 1,200 or 1,500 liens in a year, now in the Edmonton area alone, I understand, there are 75 liens per week. So it's developed into the system whereby they're defensive liens — once bitten, twice shy. These are used with caution. You want to be very careful when you file a lien that you don't tell your customer, because he might get upset.

Take a practical example: you are going to build a house, for those who can afford to build a house in 1980, and you make arrangements with a contractor and the deal is set. Remember, you are the owner and you make a deal with a contractor to build your home. Now, involved in that home might be 10 subtrades and three, four, or five, supply houses, plus the contractor. The contractor, of course, undertakes the responsibility to build your house. He receives the advances of moneys. But for some reason or other, he fails to pay or has good intentions of paying. But because the supply houses have been stung in the past, within a week or so of submitting their invoices to the contractor they lodge a lien at the Land Titles Office. Two months down the road you occupy your home; you have your housewarming and think it's just marvellous. Unbeknown to you there are 12 or 15 liens against your property. As you know, by legal description, buildings really don't exist; land exists. But you are unaware of all this; you don't know what's going on.

However, a week later you're advised that you've just been transferred — depending on your success — to Fort Chip or Calgary, and you immediately list your house to sell. Being as you have a hot market, in a day or two there's an offer to purchase. Virtually immediately, a solicitor discovers on his search that there are 12 or 15 liens against the property. You can't sell the property unless the liens are removed. I suppose that's not difficult. Because if you're in Edmonton, in a day or two the liens are removed, if people are co-operative and wish to do it. But of those liens, one is in Phoenix — he left and moved his company there — another is in Toronto. How do you remove those? Well, not being a legal beagle, I don't know the exact way it's done. But I do know that the owner doesn't sell his home.

The one person who entered into it totally innocent of what could transpire has now become the victim of what some people think is the alternative to this amendment. In other words, they file defensive liens because we as a government haven't seen fit to extend the time period from 35 to 45 days, to accommodate the small businessman who historically has been bitten by advancing credit.

It seems to me, Mr. Speaker, that it's not a major move to amend this Act. There's some downside risk, and I am sure we're going to hear that from members in a few minutes. There's a little bit of downside risk to the

conglomerates and so on, but not to the small businessman, and certainly not to the owners. So one would wonder why this is not a government bill; more than one would wonder, because if one of you is wondering, there's another one here wondering.

Mr. Speaker, if we look at the people who traditionally deal with this type of thing — one thinks of the Institute of Law Research and Reform, which felt the matter was extremely important, to the extent that they wouldn't even deal with it. Another group, HUDAC, the Housing and Urban Development Association of Canada, and most house builders in Alberta are members of HUDAC — I would just like to paraphrase the comments they made. They said that not only is it important to address the issue of the 35-day lien period under Section 30, but indeed it should be extended to 45 days. I suggest, Mr. Speaker, that that support is very indicative of the way the majority of builders in Alberta feel. Because to my knowledge HUDAC — I don't know offhand how many members there are, but the meetings I attend and the banquets I have with them indicate a very high membership — endorses it.

Other organizations such as the Alberta Construction Association, which is in the process or has been in the process of submitting 32 or 34 recommendations on The Builders' Lien Act alone — that's surprising, because there are organizations which have said perhaps the builders' Act should be removed from the statute books because it's not needed any longer. Here we have the representatives of the Alberta Construction Association making 35 recommendations to The Builders' Lien Act. Obviously it's important to somebody.

However, Mr. Speaker, my concern is for that small businessman throughout Alberta, whether he operates as a subtrade or a materials supplier. I think it's fine to be here in the Legislature and make laws of a positive nature that impact on people's lives. I can't think of one that would be more important to the small businessman of Alberta, than for us to show some compassion and amend the legislation so that he may have a fighting chance to stay in business.

Mr. Speaker, let me conclude by highlighting. The amendment to the Act is a very, very minor change — from 35 to 45 days. Other jurisdictions in Canada run as high as 60 days. The maritime provinces, for whatever reason — maybe accounts receivable with fishermen are different than accounts receivable for plumbers in Alberta; I don't know — tend to be 60 days. Other provinces have been in the process of addressing the issue. Very simply, with the normal credit time of 30 days that we have in Alberta which has become historic — I think the 35-day period is just not sufficient to accommodate many of these small businessmen and subtrades. So I ask, Mr. Speaker, that the members of the Assembly support in principle the amending of this Act from 35 to 45 days.

Thank you very much.

MR. MAGEE: Mr. Speaker, I rise today to support Bill 202, presented by the hon. Member for Lethbridge West. I am prompted, in commencing my remarks, originally by concerns from quite a number of Red Deer constituents interested in small business, the supply of building materials, building contractors, and the subtrades. Not unlike many of our towns, villages, hamlets, and cities. Red Deer has expanded very rapidly in the last few years, but away from the two large cities and almost exclusively by relatively small businessmen.

These small businessmen, of course, are very vulnerable

to situations such as those presented by this particular Act. I would like to remind the members that, as outlined by the Member for Lethbridge West, the very indication that the history of the changes that have been necessary since 1960, all based on the time elements for putting protective liens on, indicates by itself that there has been a great deal of concern through a period of time.

With those few preliminary remarks as to why I feel the need is there, I would like to remind members again that this amendment is very, very important to the well-being of many, many small businessmen. Of course, thousands of employees depend on these small businesses for their livelihood. As much protection as possible should be afforded them and their employers by a government which is dedicated to the free-enterprise system, oftentimes, and of late, paying particular attention to the special needs of small business people. I suggest respectfully that this law should be changed to keep it in accord with that philosophy.

I think it might useful to go back in history, Mr. Speaker, beyond where we were taken by the Member for Lethbridge West, to remind members or to bring them up to date with the fact that this law has been around for a long, long time. The right to security in the form of a lien against land and improvements was founded in Roman law. Subsequently it developed into civil law, and was incorporated in the Napoleonic code. It was first introduced into North America in Maryland back in 1791. Subsequently, similar statutes spread throughout the USA, and came to Canada, in Ontario and Manitoba, in 1873. Since then all provinces have followed suit.

Mr. Speaker, imagine the number of changes and amendments that have been made in this time span of at least 2,000 years. In fact, each province has made numerous amendments, since it was brought into Canada. A whole range of dates are applicable to this particular section, across this country, with at least five provinces currently having more than 35 days in which persons may register liens against the contractors or persons for whom those services were rendered. I would like to list those provinces: New Brunswick, Nova Scotia, Ontario, Prince Edward Island, and Saskatchewan.

As this Act now stands, Mr. Speaker, a contractor, subcontractor, or supplier of materials has 35 days from the day last worked on the job site to register a lien for non-payment of account. As hon. members are well aware, the business world generally operates on credit. The standard terms of payment that have been accepted in the construction business are 30 days. This length of time for placing a lien is established either from the date of invoice or the last day of the month worked.

This procedure works well in most cases. However, in the case of a person not paying his account by the 30th day, only five days remain for a subcontractor or supplier to secure a lien on this property. If we had a reliable postal service, sir, five days would probably be sufficient. In the days when this law was last changed, to the 35-day period, we probably did have a reliable postal system. It could be relied on to have lawyers produce a lien, the necessary paperwork, and then be ensured that it would reach the only Land Titles Office, in Edmonton at that time. I understand that there is now an additional Land Titles Office in Calgary.

This doesn't leave the small businessman many options, Mr. Speaker. He can, of course, make all his doubtful accounts COD, or he can shorten the time period for payment to 14 days or 21 days to obtain sufficient time to register the liens. But as indicated by the Member for

Lethbridge West, this would no doubt reflect very substantially on his business, particularly because of the relationship of placing defensive liens because he was trying to change an accepted practice. Where a developer is in the habit of paying a contractor on that 30-day factor, a change is a nuisance to him.

Larger accounts, of course, don't have that trouble because they retain accounting people. But visualize a small contractor, working 12 or 14 hours a day in the heat of our summers, trying to get a job completed and finished. He's out there really trying to expand his business. He doesn't have the opportunity to keep track of the fact that from the seventh day he supplied the last work on a job — he has to count down, on his fingers we'll say, probably while he's trying to work, where 30 days would fit into the picture. Sometimes he will have to leave his job to get to a telephone in order to make phone calls to determine whether his cheque is coming to him. These are all disruptive to small business.

I think hon. members can readily see that this would create a great deal of dissension between the developers, the larger contractors, the sub-contractors, and the suppliers, all scrambling to make sure that that account was going to be paid within that 30-day period so they could launch the proceedings to establish a defensive lien. I suggest all this activity also contributes to the details or the paper war that these phone calls would stimulate. In many cases, small businessmen cannot afford the time to take it, so they take a chance on the accounts. They hope the majority of them will be paid. I suggest, Mr. Speaker, that a longer period would take away some fears in this regard. Oftentimes, when this single creditor initiates action-on a contractor, he stops the flow of money. Because of his lien starting to show up, investigations of this particular developer indicate to other suppliers that they should start to put defensive liens on the property as well. The first thing you know, as the hon. Member for Lethbridge West indicated, you could have 10 or 12 of this type of liens.

I can cite a situation that's happened to me since I came to this Legislative Assembly. It evolves around some land that was owned by a department of this government in Red Deer. It happened to be land that had a couple of small lakes on it. It was felt that it should be moved from the jurisdiction of one department to another. About a few years ago — I think seven or eight years ago, if I recall — there was a request that a pumping station be located on the corner of this property to pipe water for city purposes. As a result of that activity, I think eight defensive liens were lodged against this government by the contractors, who automatically put a lien against that property. When I came to have the title searched and make representation to have that property moved to another department so it could have restricted developments put against it, I found I couldn't get the job done. In order to actually operate within the confines of the law of clear title on transfer, this government had to go back to the original people who put those defensive liens on that particular job site before we were able to get the property transferred to the other department. So this happens not only to small accounts but even to big accounts.

Mr. Speaker, some people might argue that another 10 days — it is proposed to move it to 45 days — would interfere with the whole exchange of funds coming forward, and that cash flows would be disrupted. I contend, sir, that this is of small significance when you consider that much needless effort is now expended in checking

the security of accounts by larger and smaller companies. Many needless liens, that would otherwise not have to be put on if the 10-day period were there, are now registered, that take further time and effort to discharge before title to a property can be cleared.

The 15 per cent holdback that's referred to and is now prescribed under the present Act, really represents in part the profit or the portion that the subcontractor would pay in the form of income tax. Therefore, this amount of money should not represent any slow-down in funds necessary to carry on the wheels of industry. In my experience in business, federal income tax is not recorded in your bookkeeping system until received. Holding back that portion would, in effect, harm no Alberta business in cash flow whatsoever if this 15 per cent did represent the amount that would be forwarded to the federal government in the subsequent month. So for those who indicate there would be a holdup in the wheels of industry, I cannot buy that.

I've referred to the situation at Red Deer, because I'm more knowledgeable about it. It's a situation presented to me by contractors and subcontractors. Some might argue that this could not happen here in the city of Edmonton. I have information from a very knowledgeable source I can rely on absolutely, a supplier of equipment to rental yards. These rental yards in turn supply many smaller contractors in the city. This person informs me that throughout the building industry at this time, a universal complaint in his attempt to collect from subcontractors and so on is that they are being stultified by the fact that in many cases they missed putting a lien on a property. They missed by a few days because of a mail disruption. As a consequence, that 15 per cent, and possibly some other amounts of money that always seem to add onto it, then goes into limbo. They have to revert to civil actions to make collections; go through small debts courts, and various other means, in order to get their funds, and they in turn delay payment through the system. So I suggest that in many cases there's a greater interruption in the cash flow as a result of these contractors not being able to get their accounts paid on time simply because they're held up by persons who owe them money.

So I strongly urge hon. members to recognize the need of the small businessman and help take some of the frustration out of our current operations in this explosive industry that we're in from a growth point of view. It's been going on for about three years and will probably go on for a number of years yet. It's a corrective action that I think is very timely.

With those remarks, Mr. Speaker, I will conclude.

MR. HIEBERT: Mr. Speaker, I too am pleased to enter the debate on Private Bill 202, introduced and read for the second time by the Member for Lethbridge West. It deals, of course, to the proposed amendment to The Builders' Lien Act. The Member for Lethbridge West amplified on the history of The Mechanic's Lien Act, the major changes that have taken place, leading to the present status. He's also traced the problem dealing with the small businessman or supplier.

Mr. Speaker, in general the intent of The Builders' Lien Act is to provide a mechanism where persons providing materials, labor, or services have a safeguard to fall back on when things are improperly done or not done. But I suggest, Mr. Speaker, that it becomes a very tricky affair when you have three or more parties involved, and there are different stakeholders with regard to this amendment in terms of registering the lien in a required amount of

time. You have the owner/developer, the contractor, the subcontractors, the suppliers, and in with that you have the small and large firms. Yet they all have to deal with the same provisions.

The proposed amendment is in reference to the time required to register such a lien. I would think the objective here is to try to find an appropriate balance: on the one hand, to decide at what speed we speed up the flow of funds on the 15 per cent holdback, as opposed to extending the time for registration of a lien whereby it will work to the advantage of the small businessman. If we take a look at other jurisdictions, Mr. Speaker, there is provision for liens to be registered before and during performance of the contract. It can be registered a prescribed number of days after the completion. I think one of the questions is that clarification is required on the definition of completion or substantial completion.

If we look at jurisdictions outside of Alberta, we note that British Columbia has 31 days; Manitoba has 30; Saskatchewan, 37; and Ontario, 37. I suggest that the 35 days appears to be somewhat the norm, if you look at the Alberta situation. When we look at the issue in terms of the filing period, Mr. Speaker, I suggest it also proves costly to suppliers and contractors because in some cases the owner or the mortgage company, whatever, may withhold the 15 per cent. This 15 per cent is held another 10 days. The situation can also work the other way, where the contractor requires release of this money so that in turn he can pay the suppliers and subcontractors, and the chain reaction can occur another way with the cash flow.

We also have to look at some of the large projects. Fifteen per cent of the holdback involves many a big dollar. With the current rate of interest, sometimes the slim profit margins are eaten up very quickly, especially when it's a very competitive market. So the 10 days do become significant the some other stakeholders, and in some cases it could eventually lead to bankruptcies of some of the firms in the construction industry.

I note that the post office has been mentioned, Mr. Speaker, and I would suggest that we not rectify that particular problem through The Builders' Lien Act. Maybe we're just reinforcing the inefficient operation by making accommodations.

If you are running a business, I think you have to recognize that when you're dealing with credit, you should learn the credit rating of the people you are dealing with, the track record of these people. It is always argued that small firms are more responsive. I would suggest that they should be on top of their accounts receivable, and should know their customers. That way, they can be in a position of receiving their moneys from the customers they are dealing with. I suggest that the move could sometimes militate against the better, more responsible, efficient operators, and could reinforce the non-efficient ones.

Hence, I remind members of the Assembly to look at the 35-day limit from a double point of view. If the 35-day limit is a problem for the small businessman, I suggest that maybe the question should be addressed another way, where there could be a differential with regards to the magnitude of the project and the size of the firms we're dealing with. Possibly we should have something for the small businessman as opposed to some of the large conglomerates or large contractors. Maybe that is the way the question should be addressed. Since other aspects of The Builders' Lien Act possibly are under re-examination at this time, as suggested by the Member

for Lethbridge West, this specific amendment should be incorporated with other changes.

MR. BORSTAD: Mr. Speaker, I join the debate this afternoon on Bill 202, An Act to Amend The Builders' Lien Act, which extends the period for filing a lien from 35 to 45 days. I do this for several reasons. I would like to support it, because I've had conversations with many small contractors in our area since the Member for Lethbridge West brought this Act forward.

I would say there are several reasons why the Bill should be supported. Small businessmen, I believe, are the most vulnerable. Usually the credit period, being a 30-day period, most subtrades find that the remaining five days, are simply not enough for them to file that lien. This becomes even more so in northern Alberta, where we have no Land Titles Office. The former member mentioned the mail service. It still has to go through the mail service, and I've had mail between Edmonton and Grande Prairie that took up to 10 days. That is not a very efficient service, but it's still a fact of life we have to contend with it.

In order to protect themselves, many subtrades are now filing protective liens in advance, which I believe may not be necessary if we were to extend this period of time. They do this to protect themselves. If they protect themselves by filing early, sometimes these things aren't removed in the two-day period or in the time period and can cause an inconvenience to the people, and in some cases maybe the innocent are affected. In many cases a company could be paying regularly and on time, then one monthend the payment becomes slow. Because he has been a good customer in the past, the small contractor will probably overlook it and let it go a few days longer. The first thing you know, his five days have passed. I'm not saying this is the way it should be, but in many cases this is the way it is happening. So the small contractor then is out.

Many small businesses do not get their statements out on time either, and some of them don't arrange their credit checks or phone their creditor before accounts are set up. I'm not saying this is right either, but it happens in a good many cases because it's probably one or two people in the business, and probably his wife is doing the books after hours at home in the evening. Some say this change will add extra inconvenience to the major contractor. This might be so, but I believe the small operator should be protected. The larger contractor is usually set up with major offices and can afford some inconvenience. I believe this amendment is necessary to protect the smaller, one- or two-man operation. As mentioned before, the present time period in other jurisdictions varies from 31 days in British Columbia to 60 days in New Brunswick. If you take the average, you're talking about 45 days across the country.

Therefore, I strongly support the Member for Lethbridge West in this Bill and urge the support of the Assembly.

MR. SINDLINGER: Mr. Speaker, it gives me a great deal of pleasure to speak on this motion today. Because it's springtime I was out over the lunch hour and really enjoyed the bright sunny skies. The grass is turning green. I always get inspired at this time of year. There's something new about it. I'm not saying I enjoy springtime more than any other season; I like winter too. On the other hand, you have to be dressed for winter. One of the reasons I never played hockey when I was younger was

that I didn't like to get cold. However, it's a little ironic that I ended up playing basketball, running around in my short pants.

Mr. Speaker, in my opinion there's a definite need to amend The Builders' Lien Act. The provision of the Act allowing only 35 days after the completion or abandonment of a contract does not allow sufficient time for the registration of a lien for materials, performance of services, or wages, and it doesn't satisfactorily accommodate the present credit-granting practices or customs in Alberta. Generally, the payment of invoices is required or at least expected within 30 days. However, I can recall personal experiences where the time frame has been even less.

There was a time when I was in a managerial position and responsible for the management of a fleet of 500 railway cars. The railway required that we pay their invoices within seven days. Those invoices amounted to a lot over a year. Sometimes they were as much \$20 million. And here was the railway, knocking on my door, asking me to pay them in seven days. What was really onerous about that, Mr. Speaker, was they didn't submit their invoices until 20 days after the service was performed, but still wanted payment in seven days. However, that's the nature of the railway; they have a monopolistic position and can really get what they want from you. So I had to pay them in seven days or they'd kick me off the train.

However, given the time-consuming mechanics of preparing invoices in the building industry; much of the present 35 days allowed for registering a lien is taken up by preparing and delivering a request for payment. Therefore, the party being asked to pay quite often does not have adequate time to respond. Uncertainty is created in the minds of the creditor, and to minimize the risk the creditor files a protective lien. The protective lien causes more problems than it solves. Furthermore, a creditor is encouraged by the short time frame, 35 days, to file a defensive lien simply to keep the option should it become necessary to do so. Indeed some creditors instruct their bookkeepers to file liens the moment they put out an invoice. The result is an unnecessarily large registration of liens that's costly in terms of time and money for all creditors, debtors, and regulators.

Furthermore, and perhaps more importantly, there are third-party repercussions. It could be argued that extending the lien time from 35 to 45 days could inordinately delay the cash inflow of a firm and therefore be costly. It is true that a basic business tenet is to pay all accounts at the latest possible time, in order to enjoy the earning value of funds. On the other hand, it's also prudent to collect moneys owing as soon as possible, to commence enjoying the same earning value.

Therefore, the question must be asked: what is the most fair and reasonable time limit within which liens should be filed? Clearly there are arguments for amending the Act in either direction. Advocates for decreasing the time period point to the financial burden placed on those entitled to the funds and their need, on occasion, to borrow money to maintain the integrity and wholeness of their operations. However, decreasing the time frame certainly does not serve to protect the public interest and its right to expect fair, reasonable, and timely due process. On the other hand, a quantum increase from 35 days is not conducive to astute commercial management. Therefore, an extension from 35 to 45 days to register a lien is a reasonable compromise between two equally valid points

of view.

Therefore, I urge members to support this Bill.

MR. KNAAK: Mr. Speaker, in light of the time, I move to adjourn debate.

MR. SPEAKER: Does the Assembly agree with the motion?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, this evening the House will sit in Committee of Supply. I move that when the House rises this evening, that it be in Committee of Supply, and that we call it 5:30.

MR. SPEAKER: Does the Assembly agree with the motion by the hon. Deputy House Leader?

HON. MEMBERS: Agreed.

MR. SPEAKER: Is it understood that when hon. members reconvene this evening, they will be in Committee of Supply?

HON. MEMBERS: Agreed.

[The House recessed at 5:26 p.m.]

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

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

[Mr. Appleby in the Chair]

Department of Transportation

MR. CHAIRMAN: First we will deal with the motion that was before us when we adjourned at the last sitting of the committee. After some consideration of this motion . . . Could I have order, please?

DR. BUCK: Tories, shape up.

MR. CHAIRMAN: My own feeling about the motion as presented is that it is not in order, for several reasons. One of these is that it's not relevant to any specific vote. Another one is that it directs this Legislature. We're sitting as a committee, and a committee can only do certain things to reduce, withdraw, or agree to an estimate. Taking those things into consideration, I would have to rule that the motion is out of order.

MR. R. SPEAKER: Mr. Chairman, speaking to the decision, after my consideration and investigation, I would have to agree with you. The points you have made are well taken. I also considered those particular points, and I decided that in order to bring in a resolution that is within the parameters you have just suggested, I would like to move a substitute motion. My understanding is that because of your concern, you didn't really accept the motion and it wasn't on the table to be voted upon. Possibly I could move another motion in its place, if that is acceptable.

MR. CHAIRMAN: I had moved it out of order, so that disposes of that. We're free to go ahead from here.

MR. R. SPEAKER: Thank you very much, Mr. Chairman. I would like to move this motion then. To meet the criteria you've just mentioned with regard to the matter being handled by the committee and not directed to the Legislature, and also there are specific tasks that we have been assigned as a committee, I move as follows:

That Vote 2 be withdrawn and that the minister be urged to bring in a revised estimate which makes greater provision for funding our primary highway systems by increasing the amount provided for that purpose by at least \$45,440,000.

The reason, Mr. Chairman, that the number is changed from 49 to 45 is that I've tried to make the . . .

MR. CHAIRMAN: Perhaps you would like to distribute them to the hon. members.

MR. R. SPEAKER: Yes, I would.

MR. CHAIRMAN: Then you could move the debate on it.

MR. CRAWFORD: Mr. Chairman, while awaiting a copy of the motion to look at, I don't think there's any doubt necessarily, as distinct from the last one, that this one would be in order. But my understanding was that part of your deliberations included that it had to be with respect to a specific item. From what I've heard from the hon. member, it appears to be. But surely it's not debated until the item is reached, and I don't think we've reached Vote 2.

MR. R. CLARK: Mr. Chairman, I agree completely. My colleague was simply making copies available to members now, so that when we get to Vote 2, if we get that far tonight, they'll have a chance to consider their position.

MR. CHAIRMAN: I appreciate the remarks of the hon. Government House Leader and the hon. Leader of the Opposition. They are getting ahead of me in giving me any opportunity to make a ruling on this type of approach. However, we will continue.

We'll now proceed to look at the departmental estimates for Vote 1.

Agreed to:

1.01 — Minister's Office \$173,355

1.02 — Chief Deputy Minister

MR. R. CLARK: Mr. Chairman, on that particular vote, the other night the minister indicated this was for a particular conference which is coming up. Mr. Minister, is that for consultants' fees for the conference, or is it for . . .

MR. CHAIRMAN: At the beginning could I remind the hon. Leader of the Opposition to use the proper form of address, if he would please.

MR. R. CLARK: Yes, you may, sir. Mr. Chairman, to the minister: is this for consulting fees for that conference coming up, or is it for additional people being taken on

staff in that particular area? Could the minister outline a few more details please?

MR. KROEGER: Mr. Chairman, to the hon. member. This conference involves 90 countries, and there are going to be some costs associated with hosting this kind of thing. The background work to set it up is going on at the present time, so that really is what it's related to — not consulting fees specifically.

Agreed to:

1.02 — Chief Deputy Minister	\$211,433
1.03 — Legal Services	\$37,433
1.04 — Public Relations	\$175,459
1.05 — Program Evaluation	\$60,000
1.06 — Deputy Minister Construction	\$159,959
1.07 — Assistant Deputy Minister	\$73,893
1.08 — Personnel and Management Services	\$566,537
1.09 — Finance and Office Services	\$1,672,058
1.010 — Computer Services	\$2,044,341
1.011 — Equipment and Supply Services	\$904,932
Total Vote 1 — Departmental Support Services	\$6,079,410

Vote 2 — Construction and Maintenance of Highways

MR. R. SPEAKER: Mr. Chairman, I think debate has taken place with regard to the purpose of the motion I've placed before the committee. Very quickly, the purpose of the motion I've presented is to increase road and highway building and rehabilitation by the 25 per cent that the government said it was going to. This amount of money that I've asked to be added to the Transportation budget will meet the commitment this government has given to the people of Alberta. We think it's most urgent that the motion be supported, and whatever actions have to follow after that will certainly be of great benefit to all Albertans.

DR. C. ANDERSON: Mr. Chairman, I wonder if the rest of us could have a copy of that so we can see what it says.

MR. CHAIRMAN: There are a number here. I don't know if it's sufficient for everybody, but . . .

MR. ZAOZIRNY: Mr. Chairman, in speaking to this motion, I haven't as yet received a formal copy of it. But frankly, having heard the hon. Member for Little Bow speak to the motion, I think about the only thing I could commend the member on is his ingenuity in finding new and diverse ways to try to suggest that this government is not meeting its commitment to the people of this province. With that remark, I must most strongly disagree. I find great difficulty in any suggestion that a budget allocation in total here of over \$0.5 billion, and in respect of Vote 2 some \$400 million, is in any way a niggardly contribution to the maintenance and improvement of transportation in the province. Surely that is not the case. I think this is a very thinly veiled attempt on the part of the opposition members in what they see as their continuing role in simply suggesting that we as a government are not providing enough.

It seems to be viewed as a function of the opposition, I suppose, to suggest that what we're doing is the right thing; we're just not doing enough of it. I suppose from

their point of view that's a legitimate role of the opposition. But in fairness, Mr. Chairman, looking at this budget in total and at this vote in particular, I'm very proud that the government is moving in such a dramatic way in this area of construction and maintenance of highways. I support the minister and the government and would speak strongly against the motion.

MR. CHAIRMAN: The hon. Member for Calgary Buffalo.

MR. SINDLINGER: Mr. Chairman, I have a question on Vote 2, not a comment in regard to the motion.

MR. BATIUK: Mr. Chairman, I would like the hon. member to clearly specify. In this it says "for funding our primary highway systems". Is the \$45 million the member is moving intended for 2.2, just one area, or is it for the total highway construction, whether it's primary, secondary, or rural? Is it just for one?

AN HON. MEMBER: No, it's for the total.

MR. BATIUK: Then this is wrong again. It's worded wrong.

AN HON. MEMBER: [Inaudible] when he closes debate.

MR. PAHL: Thank you, Mr. Chairman. I would like my remarks on the motion that was ruled out of order to stand on this motion. In other words, I oppose it.

MR. NOTLEY: Mr. Chairman, if I could just offer several comments. First of all, as I understand the motion from the Member for Little Bow we're increasing Vote 2. The total vote would be increased by approximately 12 per cent, but it would be applied to the primary and secondary highway system in the province. Mr. Chairman, if we were talking about an increase that was several times or double the amount, I suppose many of us would have to have second thoughts about it, because there are physical constraints to what can be done. But I would remind members that the \$45 million is a relatively small part of the budget which is already allocated, and one which, in my judgment, the department would be able to handle.

If we were talking about another \$200 million or \$100 million, perhaps the department wouldn't, but \$45 million out of a department which last year spent, according to the elements, \$126,234,000 ... I remind members of the committee that this year the estimates on the primary highway construction are actually down almost \$11 million over what we spent last year. I recall the discussion we had the other day in this committee. Members were frightened that if we increased the budget by this amount, somehow that would have all kinds of effects on bid prices and what have you. With great respect, I don't believe it would. The minister pointed out before that last year, as a result of an encouraging construction year, we had to have a special warrant and we ran substantially over the budget. Well, we should have, because the year made it possible to do more work.

I would hope, Mr. Chairman, that this year will be equally positive in terms of being able to do additional work. But rather than having to go the special warrant route, the proposal made by the Member for Little Bow would simply authorize that money to be expended. Obviously if it rains all summer long the department isn't

going to be able to do it, but at least the authorization is there. We don't have to go this route of special warrants. No, Mr. Chairman, I think the amount being suggested here is moderate enough that it would be well within the capacity of the Department of Transportation to properly plan so the money could be spent without forcing up the overall bid prices in the province.

MR. R. CLARK: Mr. Chairman, I simply want to refresh the memories of the hon. government members by saying that what my colleague is doing is simply proposing an amendment which allows the government to fulfil the commitment they have under Highlights of the 1980 Budget Address, where it says: "increases road and highway building and rehabilitation by almost 25% ...". The almost 25 per cent will now give this government increased credibility across the province, because the amendment would allow the government to live with that commitment they had in their own publication, [interjections]

MR. STEWART: Mr. Chairman, I'd like to [remind] all members that in preparing the budget the minister has reflected the concerns of the caucus and the people of Alberta, our concern of completing and renewing the highway systems of Alberta. In preparing a budget, Mr. Chairman, I think a lot of things have to be taken into consideration: the probability of the industry to absorb the additional flow of money, the priorities of the disposition of that money, and recognizing that our industry is only capable of absorbing a given amount of increase in any one year without distorting the total picture of the bidding process.

I recognize that last year we had an exceptional year. Additional money was expended by this government. I think we should commend the minister for the efforts he took to keep the industry active as long as it was physically possible. We recognize also that all years aren't the same. It would be unrealistic to encourage industry to gear up for something they aren't physically able to complete. I think our budget is realistic. There's a significant increase. I don't think we should be carried away with the fact that we had an exceptional construction year last year. For that reason, I don't think the amendment is in keeping with budgetary practice. For that reason, I wouldn't support it.

MR. CHAIRMAN: The hon. Member for Edmonton Whitemud followed by the hon. Member for Clover Bar.

MR. KNAAK: Thank you, Mr. Chairman. I have a comment and a question for the mover of this motion, if I may. First of all, I'd like to make a comment to the effect of the overall impact on the budget. It's the policy of this government — which is well known — to keep the overall budget within the growth of projected gross provincial product. This suggestion would probably mean that some other area would have to be cut if we wanted to stay within that field. I believe the transportation budget has a very significant increase in it to handle most of what the industry can absorb.

The question I have for the mover of this motion, Mr. Chairman, is whether he anticipates cutting any other part of the budget to facilitate this, or if he's concerned about the overall budget being equal to or less than the gross provincial product?

AN HON. MEMBER: Very smart.

DR. BUCK: Mr. Chairman, I would just like to make a comment or two. I can never understand how the government can't understand we're trying to do them a favor. I'm really glad to see that the Premier's here [interjections] because when we bring the big guns in, it's a pretty good indication that somebody has not done their homework. [laughter] I'm really glad to see the Premier is here to find out that what we see in the estimates is not the same as what the Provincial Treasurer read out in the Budget Address.

Mr. Chairman, the hon. Member for Calgary Forest Lawn, with his usual lawyer's eloquence, is trying to indicate that we are not in favor of increasing budgetary items for roads in this province. That's not what we're doing. We're trying to give the minister an extra \$42 million so the government can balance its books, reconcile the statement made about the 25 per cent increase with what the estimate says of 15 per cent. We're trying to make honest politicians out of the hon. members across the way. That's really what we're trying to do. I know the Member for Edmonton Whitemud is trying to polish up the apple a little bit, hoping to get in the cabinet. But with 29 members in the front bench now, it's getting a little crowded. You can't get your pension fund after only one term, Mr. Member. You've got to hang in there for another four years. [interjections]

AN HON. MEMBER: Is there a leadership convention coming up?

DR. BUCK: According to the Premier's statement, there isn't going to be a leadership race for another four years. The Premier told you that at the convention. What's the matter with you? Can't you understand? [interjections]

Mr. Chairman, I can't understand how the government can possibly vote against this resolution. There's no way. Because it's their own bookkeeping we're trying to salvage for them. We are trying to help the minister out by giving him another \$42 million so he can go ahead with the job. I can't see how the government could possibly vote against the resolution.

MR. MOORE: Mr. Chairman, it might be useful to repeat some of the opening statements of the Minister of Transportation, as well as some of the arguments by other members this evening. The shallowness of the arguments for the particular motion should be pointed out as well.

The construction of highways in this province, whether it be done by our Department of Transportation or by municipal governments, is a much bigger job than just saying how much money we have and how much we can put into it. I've had an opportunity over the last few months to discuss at length with many municipal councils the budgetary program they have for fiscal 1980-81, much of it flowing from funds they moved into savings accounts from the debt reduction program of last year. As a rural MLA, as Minister of Municipal Affairs, and as a member of the Executive Council who spent considerable time listening to the presentation by the Minister of Transportation in terms of construction, I think it's a valid assumption that this budget, together with all the other things happening in the province in construction — when one considers road construction machinery, supplies of gravel, asphalt, everything that is occurring across Alberta, what we should be doing is hoping that we have very

fine construction weather. I know that members from both sides of the House have expressed a view about overheating the economy in certain areas and getting into a situation where you have only one bid on a construction job. That has been the case in Alberta in other years. It doesn't do the citizens of this province much good. It's not a wise and fiscally responsible thing simply to throw in \$50 million without any thought as to whether the industry can accommodate that.

Now situations can occur, such as unexpected increases in costs along the way, that result in the Minister of Transportation coming back and saying, we need more funds. There have been years, of course, when we haven't utilized all the funds available. That's what special warrants were for: unforeseen circumstances. But the circumstances today, given the total industry's capacity in this province — and if the members had listened to the opening comments of the Minister of Transportation and remembered them, they would have known that — what you have before you is a fiscal responsibility that this government has taken to come in with a road construction program which is all that the industry can handle. Frankly, I think it's irresponsible to move into the area of just throwing in more money without considering all those implications. I would urge members to vote against the motion.

MR. OMAN: Mr. Chairman, I don't know whether it was Mark Twain or Harry Truman who used the quote that there are "lies, damn lies, and statistics" — their words, not mine. But you can stretch, warp, and woof anything any way you want; if you see it in a particular light and if you have a particular set of glasses on, that's the way it's going to be, regardless of where you look. It seems to me that we have before us here a set of books that explain, together with the minister's statement in his debate or the budget, what he planned to do this year. In this budget he has presented the amount of money which he feels he needs to do it. Now, you can twist around that figure regarding the inclusion, or exclusion of those special warrants last fall if you want; the fact of the matter is that the minister has presented a budget where he feels he's got enough money to do what he wants to do. I don't see why we're quibbling over it.

MR. CHAIRMAN: Are there any other members who wish to participate in the debate on this motion?

MR. COOK: Mr. Chairman, just a couple of brief comments. They are simply this: it's important that the opposition members realize that if we were to alter any amount in the estimates, it would be tantamount to a vote of non-confidence in the government.

DR. BUCK: Oh, Kookie.

MR. COOK: That's the first point, on a constitutional level.

The second point is that I understand from a friend in Clover Bar, Butch Thomlinson, that our hon. friend from Clover Bar is busy raising money for his leadership campaign. I would suggest he concentrate on that rather than trying to raise money for this.

DR. BUCK: Have you got a job for Thomlinson yet? He's the only PC candidate who didn't get a job yet. How about getting him a job?

MR. CHAIRMAN: Order please.

MR. R. CLARK: And mine got a job last week.

MRS. FYFE: The Member for Spirit River-Fairview said that the figures were down for primary highways. I think it's important to point out that the figures in the budget for primary highways this year include the pavement rehabilitation program, which is \$22 million, which means that the estimates from last year have increased from \$159 million to \$180 million. I think that's significant to include; there's simply a different breakdown.

MR. CHAIRMAN: My ruling would be that we're debating a specific motion, and the rules of debate apply the same as in the House. So members would speak once, except the mover of the motion.

MR. R. SPEAKER: Mr. Chairman, if no one else is speaking, I'd like to close the debate on the resolution. I didn't feel that I would have to repeat the arguments I gave in the House last Wednesday. But every one of the points of discussion by the members of this government is not on the point that is being discussed. The minister got enough money, Member for Calgary North Hill. If he said it was a 15 per cent increase he needed in his budget, and he accepted that, I wasn't going to argue with that. My remarks in *Hansard* substantiate that, because the first time I got up to speak in this Legislature, I was under the impression that it was a 24.5 per cent increase. I'd like to quote my remarks. I said I'd "like to make one or two comments". I said "One, I think the 25 per cent increase is significant", and I approved and lauded it. I approved the actual amount that was allocated for this department. I had no argument with that, not one bit of argument. So that argument doesn't hold water.

The hon. Minister of Municipal Affairs talks about fiscal responsibility. I wasn't arguing the point about whether the government was fiscally responsible or not; that wasn't my argument. What I was arguing is whether the government's statement to the public of Alberta is responsible or not. That's what I was arguing. That's the point of this debate. If this government makes a commitment to the people, then they should live up to the commitment. I'm saying that by passing this resolution I've presented before this committee, the government lives by the commitment they have made — a 25 per cent increase.

The statements, not only in this blue form, which I've explained very clearly to you, say a 25 per cent increase. In its summary the budget speech says, "25 per cent increase". We've all talked about how the figures can or can't be arrived at, but the impression to the public of Alberta and to the municipalities, the counties, and the construction industry is that there will be 25 per cent new dollars to be spent on highway construction in 1980 — new dollars over and above the expenditure that actually took place in 1979. That's the point. The minister and this government in their budget speech in this blue statement have misled ... As far as I'm concerned, the statement is misleading to the people of Alberta. I'm only saying that you as a government, you as backbenchers, may think you've won an argument. But I'll tell you, out in the constituencies, out where roads have to be built, the people will understand what the real argument is: that this government has not lived up to a commitment.

I'd like to say something about moneys being spent. We do have some surplus money in general revenue. We

have a Heritage Savings Trust Fund. Never in our history have we had the opportunity to build the infrastructure of this province: highways, hospitals, and other items. At this time the government is backing off, being defensive and rather niggardly about it. I'm a little concerned about that point of view, but that's even a bit off-argument.

Mr. Chairman, I think it's responsible. I think the Provincial Treasurer had better assess when he uses the word "responsible". Because the statement that was made in documents presented by the Provincial Treasurer sure questioned that particular concept. I think it's a little unfortunate it had to get into this debate the way it has.

Mr. Chairman, I think it's incumbent upon this government to live up to what they said they were going to live up to. The little off-type comments that were made in this Assembly do not take us off the real issue of meeting a commitment that is believed to be a commitment by the people of Alberta. As far as I'm concerned, there's only one alternative: to pass it. If not, hopefully we as members of the Legislature can tell the real story, because this is a good one.

MR. CHAIRMAN: Very well. We'll now put the motion to the vote. For the information of those members who have not seen a copy of it, I think perhaps I should read it so you will know what is being moved:

That Vote 2 be withdrawn and that the minister be urged to bring in a revised estimate which makes greater provision for funding our primary highway systems by increasing the amount provided for that purpose by at least \$45,440,000.

[Mr. Chairman declared the motion lost. Several members rose calling for a division. The division bell was rung]

[Three minutes having elapsed, the House divided]

For the motion:

Buck	Mandeville	Speaker, R.
Clark, R.	Notley	

Against the motion:

Adair	Horsman	Osterman
Anderson, C.	Hyland	Pahl
Anderson, D.	Hyndman	Payne
Batiuk	Isley	Pengelly
Borstad	Johnston	Planche
Bradley	Knaak	Reid
Carter	Kowalski	Russell
Chichak	Koziak	Schmidt
Clark, L.	Kroeger	Shaben
Cook	Kushner	Sindlinger
Cookson	Leitch	Stewart
Crawford	LeMessurier	Stromberg
Cripps	Little	Thompson
Fjordbotten	Magee	Topolnisky
Fyfe	Miller	Webber
Gogo	Moore	Wolstenholme
Harle	Musgreave	Woo
Hiebert	Oman	Zaozirny

Totals:	Ayes - 5	Noes - 54
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Agreed to:

2.1 — Program Support	\$18,387,975
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2.2 — Improvement of Primary Highway Systems	\$140,516,115
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22 — Improvement of Primary Highway Systems

MR. TOPOLNISKY: Mr. Chairman, my question is in regard to Highway No. 28.

MR. R. CLARK: You just voted against any more money.

MR. NOTLEY: Next year, George.

MR. R. CLARK: Next year.

MR. CHAIRMAN: Order please.

MR. TOPOLNISKY: In view of the potential traffic build-up on this particular highway because of certain developments and projects — Syncrude, Alsands, Cold Lake, the Red Barn, the game farm relocation, the tourist industry — my question is, Mr. Chairman: what plans are there to improve the flow of traffic on Highway No. 28 in the near future? I would like some specific plans or designs, if those are available.

MR. KROEGER: Mr. Chairman, I'll make a comment on that. Before I do, though, I would like to make one or two others.

This being the third day that we've been attempting the estimates, on my way here tonight something came to mind. I recall seeing in one of the Vancouver papers a cartoon of a fellow with a grin on his face pulling the wings off a fly. For the last three days I've felt a bit like that fly.

There was a question from the hon. Member for Bow Valley specifically on the airport. The timing on that is 1982. I see the member is not here now; that information is available to him.

The hon. Member for Spirit River-Fairview made some comment on block funding that I didn't respond to because of the way the exercise was going. I don't want to spend much time on it, only to say that I think the concept of consistent funding on an ongoing, recognizable basis is useful. However, given the rapid change in the province, where we have to readjust to the demands, I would see great difficulty in attempting that sort of thing at this time of rapid growth.

For the Member for Redwater-Andrew, I did comment on Highway 28 in the earlier part of this session. Highway 28 leads directly to both major developments, the suggested projects at Cold Lake and Alsands. Depending on how that development moves, we will seriously have to look at funding specifically for 28, because the load there is getting very heavy. So I would suggest that before we identify the work or the timing of it, we would have to let a bit of time go by.

MR. CHAIRMAN: 2.3, Improvement of Rural-Local Highways.

DR. BUCK: Mr. Chairman, just one second, on 2.2. Yesterday or several days ago I asked the hon. minister the question on highways 28 and 63. Can the minister indicate if there are any specific proposals for the upgrading of Highway 63, the road to Fort McMurray?

MR. KROEGER: Mr. Chairman, we haven't made any special allocations to 63 as yet. Keep in mind, though, that all the moneys in the budget have not been fully allocated.

DR. BUCK: Mr. Chairman, to the minister. The minister was telling us the story about feeling like that fly. I'd like to say to the minister that if his government backbenchers had voted for the extra \$45 million, he'd have probably felt more like a honey bee than the fly that was having its wings taken off.

I'd like to say to the minister I presume the department has something in the planning stage as far as Highway 63 and Highway 28. At the same time, Mr. Chairman, to the minister, an area of concern to myself and the hon. Member for Redwater-Andrew is the roads, sort of between the Vegreville area and the Fort Saskatchewan area, that are starting to carry more and more heavy traffic in a north-south direction. Some of the municipal roads, the road from Tofield through Lamont and up to the Waskatenau bridge, are certainly roads that you can oil and compact only so often. When the traffic gets heavy, as far as weight and volume go, those roads just don't stand up. It seems like it's really a waste of money unless we bring those up to a higher compaction than they are presently.

I'd like to know if, number one, the plans are in place for 63 and 28, and it's just a matter of budgetary considerations and waiting for the plans to go. Because it seems that if we start now — I don't know what the minister's timetable is, but they don't build 160 miles of road overnight, as the minister well knows. So I would just like to know what plans are in place for 63 and 28, and if there are any plans for the north-south road crossing the Waskatenau bridge.

MR. KROEGER: Mr. Chairman, we have not identified specific work on 63 north. I know that a good part of that road could do with some shoulders. We're undoubtedly going to have to develop some turnoffs to allow the wide traffic to go through. I've already indicated that there is some flexibility left in assigning funds, but at the moment I can't say we're going to do this specific on 63 this year. I would have to take the question on the bridge as notice, Mr. Chairman.

MR. NOTLEY: Mr. Chairman, before we leave this particular appropriation, I don't want to rehash some of the straw we went through with the motion that was just defeated, but I would like to say to the minister that it seems to me that with respect to both the primary highway system and the secondary system we're going to have to push ahead fairly rapidly, especially in areas where major industrial developments are likely to take place. Because if we don't get some of these roads in place before these massive megaprojects take off, it's going to cost us an awful lot more, and the competition with the private sector two, three, or four years down the road will be horrendous. For example, in the Peace River country if we have no doubt that in the next four or five years we're probably going to be moving with a major dam at Dunvegan, that's going to be a \$1 billion-plus project. It seems to me that the more we can get our highway and secondary planning, Mr. Chairman, so we can get these roads completed so we don't have to compete directly with the megaprojects, the better value we're going to be able to get out of the public dollar spent. I think one of the reasons one could argue about moving more rapidly now, Mr. Minister, is that at this stage we have a little bit of a lull between the Syncrude project and some of these other projects. We're not likely to be in that position three or four years down the road. We're going to have possibly two or three megaprojects, with several others

close to the planning stage or close to beginning construction. That's going to cause the minister's department absolutely incredible problems to deal with. It's going to pose a tremendous upwards pressure on the construction of highways.

MR. KROEGER: Mr. Chairman, in answer to that question-comment, the comment is correct to the degree that there are developing pressures. In response to that, we have to keep in mind that a bridge over the Athabasca River has been in the process of building for several years, combined with about \$1.7 million that we spent this winter in right-of-way clearing to the new Alsands site in anticipation of some development occurring there sometime. So we are trying to anticipate and meet some time lines on these things.

MR. BORSTAD: Mr. Chairman, I would like to make a few comments. I was pleased to see the increase in improved rural and local roads program. I believe this is greatly going to affect the north. The increase in the pavement rehabilitation is also welcome and long overdue, and I think this is going to stop deterioration of our primary road system. I believe we should continue to add to that resource road program, although I realize there has been an addition this year. But I would strongly recommend that that be continued. The amount of road deterioration that's going on in some of the areas where heavy oil work is going on is pretty hard on our rural road systems.

Mr. Minister, I see nothing about Highway 40. I mention this because of the resource work that's going on south of Grande Prairie. There are oil companies in the area which are trying to get on with doing some work south. They need to cross the Kakwa and the Smoky rivers. If a decision were made fairly soon on the east-central route, on that portion between Grande Prairie and Grande Cache, I think they could get on with their jobs a lot easier — and probably could even be some cost-sharing for the province in some of those bridges.

MR. KROEGER: Mr. Chairman, as far as Highway 40 south of Grande Prairie is concerned, the member did comment on a new route, the east-central. Initially the planning was related to the east route. There is some negotiation and conversation going on now as to which route should be anticipated, keeping in mind that the east-central would be a more expensive project than the one initially contemplated. There is an increase, of course, in the resource fund allocated. Last year we had \$20 million; this year there's \$22 million. So Highway 40 is in our plans, although I can't define any specific time line on it at the moment.

MR. SINDLINGER: Mr. Chairman, to the minister. Over the last three days while we've been talking about the estimates presented by the minister, a lot of attention has been focused on dollar amounts. Quite often dollar amounts can be quite illusory, given the inflation we've had over the last 10 years. Although we have a large expenditure and a large percentage increase, they aren't a real measure of output.

A more meaningful measure of output would be, for example, the number of miles paved per dollar, or number of miles graded per dollar this year as compared to last year, or the number of trucks purchased, or the number of motor graders purchased. I note by the table, Summary by Object of Expenditure, that the purchase of

fixed assets has increased approximately 70 per cent. In my judgment, that is a meaningful measure of output. I wonder if the minister could please explain just what is incorporated in the category Purchase of Fixed Assets?

MR. KROEGER: Can the member identify the section for me?

MR. SINDLINGER: Yes, Mr. Chairman, to the minister. It's the Estimates of Expenditure 1980-81, page 333, under Vote 2, Construction and Maintenance of Highways. Half-way down the page there is a table entitled Summary by Object of Expenditure. The fourth item in that table is entitled Purchase of Fixed Assets. It shows a percentage change from the 1979-80 forecast of 69.2 per cent.

MR. KROEGER: A good deal of that relates to increase in land assembly, approximately \$7 million.

MR. CHAIRMAN: The hon. Leader of the Opposition.

MR. R. CLARK: Thank you, Mr. Chairman. I'd like to make one observation, and perhaps ask the minister a question first. Mr. Minister, I don't expect to be able to get an answer this evening, but one of the areas that catches my attention in most departments, in looking at the details of the budgetary estimates, is what's referred to as Code 430 — professional, technical, and labor services. If I haven't made a mistake mathematically in running through the estimates, there's an increase of between \$2 million and \$2.5 million in what generally would be consultant's contracts. Mr. Minister, I don't expect you'd be able to give a breakdown of that on this occasion. But if we could have an undertaking that perhaps you could supply our office with a breakdown of the explanations for Code 430 in each of the votes in the department, giving us some idea as to what's being added there and the purposes for each, that would aid tremendously.

Mr. Minister, the comment I want to make is this: I recall '71, I guess, when the minister of transportation at that time started the road from Grande Prairie south down to Hinton. Now if there's a road in Alberta that's had the long stall and the shift from the east to the west to the centre to we don't know where we are again, it's certainly that road. In replying to the Member for Grande Prairie tonight, Mr. Minister, you said that road certainly figured in our long-term plans. But with the greatest of respect, that's the kind of answer the people in Grande Prairie have been getting for that road for at least 10 years now. The construction did start from Grande Prairie south in '71, and virtually nothing has happened since that time, other than helping certain consultants and so on to do studies as to where the road should be.

I know it's an expensive undertaking, and I believe it's accurate — and I'm sure the Member for Grande Prairie will correct me if I'm wrong — that there are some sectors of the resource industry in the Grande Prairie region prepared to help facilitate the construction of that road by means of using routes that could be advantageous to them. But my appeal, Mr. Minister, is simply this: isn't it about time we get some kind of commitment? If we're looking at two years down the road before we start, at least that's better than simply saying it's some time in the future. Because candidly, those good folks there have waited almost 10 years.

I know there's great pressure from people for other

roads in the province, and I'm as guilty as any member in putting pressure on the minister. But if that northwestern part of the province is going to grow in the long run, there's got to be that main transportation link from Hinton up to the Grande Cache region and then north. The longer we put that off just slows anticipated development as far as the whole Peace River country is concerned. So my plea, Mr. Minister, is: can't we do better this evening than to say it's in the department's plans? Are we looking two years down the road, or is it a five or seven year kind of thing? If members in the House and people in Grande Prairie knew in even those kinds of terms, at least I for one would feel that next time I went to Grande Prairie I'd be in a position to say if we are going to be doing it shortly or continuing more and more studies.

MR. KROEGER: Mr. Chairman, in order to save time, I would appreciate being able to send to the hon. leader the information he referred to on 430. I could provide a partial answer, but I think it would be more useful to get a complete one.

Going back to number 40, because there is considerable pressure developing for changing of the route, I would guess, if a guess has any value, it will be two years before we can seriously look at making a start. That is a guess; accept that as a guess. It would take that long. First the decision has to be made. There is some difference of opinion from people involved, and by people involved I'm talking about the companies involved: They are certainly going to be impacted by the decision on the route. If a new route, the east-central, were to be chosen I'm sure there has to be a great deal of preliminary work done. So I'm only throwing that in. I would suggest it would be two years before we could make a start.

Agreed to:

2.3 — Improvement of Rural-Local Highways	\$100,124,962
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24 — Financial Assistance for Rural-Local Highways

MR. NOTLEY: Mr. Chairman, on Vote 2.4. I notice, Mr. Minister, that what we have is a 3.5 per cent increase. Now, we had quite a little speech from the Minister of Municipal Affairs, talking about his discussions with local government officials. But I think he must have been doing it in an Ebenezer Scrooge sense, because I see the forecast in 1979-80 grants to counties and municipal districts, \$20.5 million. This year we're really big spenders; we're going to \$20,889,000 or an increase of \$300,000, which is approximately 1.5 per cent. Given the increase in the construction costs, that's going to mean a net reduction in the amount the counties and municipal districts can undertake.

MR. R. CLARK: That's a result of the representation by the Minister of Municipal Affairs, I'm sure.

MR. NOTLEY: Heaven help us if we have any more representation. The one area that seems encouraging is that grants to special areas have gone up. If it hadn't been for the more than doubling of grants to special areas, we wouldn't even have gotten the 3.5 per cent increase in Vote 2.4. Then when it comes to towns and villages, Mr. Chairman, we're allocating exactly the same amount this year as we did last year. I would have to say to the

minister ... When we get to financial assistance, the maintenance of roads, I'll have some more to say because I have some real concerns there.

But confining it strictly to appropriation 2.4 that we are now dealing with, are you really able to assure us, Mr. Minister, that that rather meagre, parsimonious increase is adequate? I would be highly surprised if the municipalities and the counties — they're obviously going to accept it; they've got no choice. But I can't imagine they're very happy with what will be so small an increase that in actual dollar terms it won't be able to provide as much construction as we had last year.

MR. KROEGER: Mr. Chairman, taken in isolation, the comments would be valid. But if you combine 2.3 and 2.4, and they are related, that changes the scene.

MR. NOTLEY: Mr. Chairman, with great respect, when I look at 2.3 and 2.4, certainly the increase in secondary roads is welcome. On the other hand, forestry roads aren't going to help all the municipal districts; there's a handsome increase there. Neither will the construction of bridges. Occasionally it will help in some cases, and that's welcome.

Mr. Chairman, when I look at 2.3, I would say that the increase in ID road construction is helpful. But when one looks at the tremendous job we have in the improvement districts — we're talking about opening up new areas to settlement. When we get to the Department of Energy and Natural Resources and we have the associate minister reporting on his estimates, we've got areas in the province where we've got to put in roads and infrastructure. That amount is still going to leave the improvement districts in the situation where you've got a long list. As an M.L.A. representing three improvement districts, I can appreciate the problems of the improvement district advisory councils, which have the difficulty of trying to decide how a construction budget will be allocated. They've got a long list of legitimate requests, sometimes requests that have been before the council for some years, and it just isn't possible to move on them because of the limitations of the construction allocation. While I recognize that there is going to be some connection between 2.3 and 2.4, Mr. Minister, the net result of both of them — if you set aside the secondary road system, because that's where the big increase comes — is that we are still going to find the increase to local governments will leave us somewhat behind the eight ball in terms of the reasonable demands of people, especially in growing areas of the province and in areas being settled.

MR. KROEGER: Mr. Chairman, in addition, of course, you have to consider the resource road factor of \$22 million that could apply in the development of some of these IDs the hon. member has referred to.

Agreed to:

2.4 — Financial Assistance for Rural-Local Highways	\$30,108,340
2.5 — Maintenance of Primary Highway Systems	\$46,224,074

Vote 26 — Maintenance of Rural-Local Highways

MR. NOTLEY: Mr. Chairman, I'd like to offer just a few comments on 2.6. I indicated a moment ago that we had at least a modest increase in ID road construction. But

when I look at the maintenance budget this year, Mr. Minister and Mr. Chairman, we're moving the budget for maintenance from \$8,230,000 to \$9,183,000, or an increase of just a little over 10 per cent.

Mr. Chairman, just a couple of observations have to be made about that. First of all, I would expect that the actual inflation rate, in terms of the increased costs of doing work, will be at least the amount of the budget increase — I would say at least the amount. The second thing I would say is that in many of the IDs — not all of them, but many of them — we now have a situation where there is a tremendous amount of industrial activity. That industrial activity is leading to gas and oil finds that bring tens and hundreds of millions of dollars to the coffers of this government.

Unfortunately — and I'm sure the minister would know this from complaints he would get from people in the improvement districts — because we aren't keeping our maintenance budget up to scruff, we have roads that are in very serious shape for much of the year. We just aren't able to keep ahead of the problem of maintaining those roads on a regular basis. It's a totally different situation in many of these improvement districts than we had 10 years ago, when you might have just grain trucks and that would be it. But now, as you well know, Mr. Minister, with seismic operators and heavy equipment being moved, you have a demand and a pressure on local district roads which creates a good deal of problems for the improvement districts.

I would just say to the minister as sincerely as I can that it seems to me that in the trade-offs invariably made in the budgeting process, somewhere the maintenance of improvement district roads got traded off. I would just argue that that increase of a little over \$900,000 is still going to leave a lot of unhappy people, in that those of us who represent improvement districts are going to be flooded with legitimate complaints from people all over our areas about the quality and the level of improvement district maintenance.

I guess what I'm saying, Mr. Chairman, is that as a result of the industrial activity, the province of Alberta is gaining enormous sums of money, yet people in the improvement districts tell me — and I'm sure they tell other members, including the minister — that we aren't seeing enough of that back. No one says we want all the money back in the improvement district, or anything like that — but at least enough money back so we can have proper maintenance of these district roads. Because some of the district roads in improvement districts, all over the Peace River country and elsewhere in the province, are absolutely scandalous on occasions.

Mr. Chairman, I know the minister is aware of that, but it seems to me we have to improve the quality of our maintenance. I don't blame the regional office or the district engineers; they're doing the best with the limited resources they have. But it seems to me that when we decide on a budget for the province of Alberta, we have to keep in mind that part of the reason this government is sitting on so much money is the industrial activity which is playing havoc with district roads throughout the province.

MR. KROEGER: Mr. Chairman, on the ID program, with a maintenance factor of around \$9 million and a construction factor of about \$12.8 million, it seems to me there is a fairly substantial figure there to work to, supported with the resource road program. If major de-

velopments were to occur, we do have some more flexibility.

Agreed to:

2.6 — Maintenance of Rural-Local Highways	\$12,108,218
2.7 — Apprenticeship Training	\$1,352,233

2.8 — Rural Resource Roads

MR. TOPOLNISKY: Mr. Chairman, on Vote 2.8, I want to commend the minister and the Department of Transportation on the rural resource roads, specifically the Lily Lake road, which is to proceed immediately. It should certainly provide a high level of service in many areas, including major gravel haul rate and northern Alberta game farm.

Agreed to:

2.8 — Rural Resource Roads	\$22,518,000
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2.9 — Pavement Rehabilitation

DR. BUCK: Mr. Chairman, to the minister. In light of the statement I made to the minister the other day on some of the roads getting so badly worn, can the minister indicate approximately how many miles of road would be rehabilitated with the \$22 million? And what is the state of the chipping program? Will that be including chipping, or is it just putting 2- or 4-inch lifts on the roads that are already in place?

MR. KROEGER: Mr. Chairman, I would think it would be both. The division of this \$22 million indicated in 2.9 is \$20 million for primary and \$2 million for the secondary rehabilitation program.

Oh, I'm sorry. I wouldn't attempt a figure on a mile basis on this, Mr. Chairman. I would rather get the information for you.

Agreed to:

2.9 — Pavement Rehabilitation	\$22,000,000
Total Vote 2 — Construction and Maintenance of Highways	\$393,339,917

Total Vote 3 — Construction and Operation of Rail Systems	\$12,000,000
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4.1 — Program Support	\$665,087
4.2 — Construction of Airports	\$8,489,383
4.3 — Airport Maintenance Operations	\$1,425,069
Total Vote 4 — Construction and Maintenance of Airport Facilities	\$10,579,539

5.1 — Transportation Research and Development	\$1,845,976
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5.1 — Transportation Research and Development

MR. TOPOLNISKY: Mr. Chairman, I'd like to ask about the use of sulphur as a base for highway construction.

MR. KROEGER: Mr. Chairman, that really is an experiment we're working with, and I wouldn't be able to be definitive on just exactly how it's working out. Certainly it's not something we're going into yet in a major way.

MR. GOGO: Mr. Chairman, to the minister. Would the matter of things like the hydrofoil and the blimp program, if there is one, be in Vote 5, Specialized Transportation Services? I wonder if the minister could advise me on that.

MR. KROEGER: Is that 5.1, Mr. Chairman?

MR. GOGO: Just in Vote 5, Mr. Chairman. I want to know if it's in this vote. I'd be interested in asking some questions about it.

MR. KROEGER: For the information of the member, we do not have the hydrofoil, as you refer to it, so certainly we're not spending any more money on that. That is now out of the system. The other part of the question I'm not quite sure of.

MR. GOGO: I understood at one time we were doing some research on airships and so on.

MR. KROEGER: That's not in the department, Mr. Chairman.

DR. BUCK: Mr. Chairman, speaking of the hydrofoil, did the Department of Transportation send it down to Lake Winnipeg with the hon. Dr. Hugh Horner? Can the minister tell us what happened to the hydrofoil and how much this glorious experiment of the late, departed Dr. Horner cost the taxpayers of Alberta? Is the minister in the position to give us that information, or can he get it for us?

MR. KROEGER: I can get you some answers, Mr. Chairman. The unit is no longer in Alberta. It has gone east, and the federal government is going to do some experimenting.

MR. NOTLEY: Mr. Chairman, to the minister. Were we able to get any money when the federal government took it over, or did we have to pay them to take it?

MR. KROEGER: Well, Mr. Chairman, it could be that we might have been prepared to pay them to take it, but we didn't do that. I can't comment on just what the arrangement finally will be on any recoveries that may come, but there are some riders on our returning it to them since they were involved in the cost sharing of the funding.

MR. NOTLEY: Mr. Chairman, while we're on the topic of some of these rather intriguing experiments — and the hon. Member for Lethbridge West raised it — your predecessor was quite interested in making Alberta a sort of headquarters for airship development, the zeppelin centre of the country. I wonder if the minister is in a position to advise us where we are in this breath-taking new move into space age technology?

MR. KROEGER: Well, Mr. Chairman, as a matter of fact, there's a great deal going on in that field that doesn't really relate to this department. I could make some comments on some of the development, but I don't think

I should since we're not funding it and aren't directly involved in any research in that area. The fact is that there is a great deal of interest. I had some more information coming to me today as a matter of fact, but again quite unrelated to the department.

Agreed to:

5.2 — Highway System User Services	\$8,080,345
Total Vote 5 — Specialized Transportation Services	\$9,926,321

61 — Program Support

MRS. CHICHAK: Mr. Chairman, I just want to ask the minister a few questions for some clarification with respect to the funds under Vote 6 for urban transportation. What considerations are being made with respect to certain areas or items which I think have been identified by the members of the Edmonton city council, and representations made by them with respect to some funding difficulties or cost problems they will be having? I will outline these in some of the areas shortly. My question would be for the minister to indicate at this time to what extent he has consideration to cover some of these areas in the course of the year, in the event that the city has made its representation or has indicated that it is to come with some specific information and material. That is with respect to a couple of areas that perhaps initially, or at any time, were not really expenditures or funding from the Department of Transportation, but might very well become that since the cost factor requirement, as indicated by the city, is for one type of transportation or another.

The city has indicated that it appears it will not be receiving the amount of funding it previously did with respect to covering costs for transportation of students within the city, which would then create the situation where the students will be using the regular transit system, putting greater pressure on the regular system and requiring the city to provide more buses to carry its passengers. I'm wondering whether the minister has had some of those representations and has something in the budget to cover that area of the city's concern.

The other area was with respect to the transportation services provided for the disabled, such as DATS. Again, it's with respect to transportation costs. Although the minister may indicate that some of these are from the social services department or another department, is there some sort of liaison with respect to the transportation costs as such, an allocation included in these grants?

Another area: the city has indicated, of course, that they will need to proceed with the extension of LRT services, particularly into the northeast area of Clareview, where egress and ingress are very limited — as a matter of fact, limited to the extent that I think there are only two approaches to the entire area. Otherwise it is isolated. The city has indicated the requirement that it needs to expand very quickly. Has there been included in this vote some dialogue and consideration with respect to that kind of expansion? I know the city's talking about the expansion into the university area, but that's a matter I am not approaching at this time. I'm more concerned about the ability of citizens in the northeast area to commute to their place of employment and back.

I would like the minister to comment on two other points. One, with the health of our economy and the influx of people into our major centres, into Edmonton in

this instance, there's such a great increase in pressure on our inner city core roadways, which to my mind would mean that should not totally or solely be a municipal responsibility, in that the causes of this buoyancy are not solely through the activities of the municipality itself, but contributing overall. I'm not critical of that. I'm happy about that, except there needs to be additional participation to recognize the difficulties and strains that are now placed on the city to provide greater ease of movement in the inner-city core.

The other point I would like the minister to comment on is with respect to: whatever the allocation is for the municipalities, the urban centres, particularly the city of Edmonton, where there is a consideration of several million dollars — and I suppose that is advanced to the municipality at certain times of the year, or in certain time frames — whether the percentage that is paid in advance of the total picture could be significant enough that the municipality might be able to benefit by having advance funds in an interest-bearing account, so that the interest from these larger amounts of money could be utilized to offset some of the other costs incurred in maintenance or other services with respect to transportation — not into other programs, but with respect to transportation. I wonder if the minister could comment with respect to those.

MR. KROEGER: Mr. Chairman, first of all, to overview the urban side a bit, there is a six-year program that was instituted last year. We're into the second year of the program. It has a clause that this will be reviewed every second year. We're into the second year of that phase now. The total for the city of Edmonton, for instance, was about \$275 million. They're into the second year, and at the end of this year we will be reviewing, as the hon. member has asked about.

The assistance on the handicapped that was referred to is covered at least in part by the \$7.50 per capita provided by the department. As far as how the city works with this funding, we work with them in an advisory capacity when we start identifying areas or routes that ought to be serviced, but the city does have to make that decision. We're available to them to assist in identifying the best routes, but it is a city decision finally.

As far as the student transportation is concerned, I'm not aware that we're involved in that directly in any way. I would think that would be totally a city responsibility. I'm not sure I've covered all that you had, but I've identified four here.

The advance — we're very aware of what it means to have extra money. As a matter of fact, I have actually delivered some rather substantial cheques to the mayor in the evening. He said that that was going to spoil his night, because he'd worry about having that money overnight and losing interest on it. So there is constant pressure for advance of funds.

MR. CHAIRMAN: The hon. member for Calgary Fish Creek.

MR. PAYNE: Thank you, Mr. Chairman. As one of thousands of Calgarians who commute regularly between the major metropolitan centres of Calgary and Edmonton, I wonder if the minister could advise whether any of the capital or operating assistance grants within Vote 6 are in fact directed toward high-speed railway transportation between Calgary and Edmonton.

MR. KROEGER: No, they're not, Mr. Chairman, unless you want to drive over the speed limit on No. 2.

MR. PAYNE: Mr. Chairman, I'd like to reassure the minister that I have no such illegal intentions or desires. By the same token, I'd like to suggest that perhaps on a future occasion, or in the development of future budgets, within Vote 6 such research grants might very well be considered. Many thousands of Calgarians and Edmontonians I think would benefit in the long term from such a development.

MR. KROEGER: Mr. Chairman, perhaps the member wasn't in the House. There was a question earlier on this very thing. Some research has been done on this in the past. I also commented on the fact there's an organization called Transport 2000 now doing research. As a matter of fact, we are in a minor way giving them some money.

I also commented at the time the question first arose that some real expensive problems are associated with this intercity, high-speed rail transport, keeping in mind that you would then be crossing intersections a minimum of every two miles and that it would probably involve major expenditure not only in roadbed design and improvement but in grade separations to allow the trains to go through without interfering with road traffic. For those reasons, we are not actively involved in that at the moment.

MR. R. CLARK: Mr. Chairman, to the minister. I was out for a period of time and I apologize. If the matter was covered, I'll get it in *Hansard*. Two things, Mr. Minister. First of all, in a moment or two my colleague from Clover Bar will be speaking more extensively about rapid transit and the very sizable commitment we have in this area.

Not long ago I had an opportunity to meet with a group of citizens from Calgary who primarily represented disabled people in Calgary. They made a case to me that basically was that the province is putting a great deal of money into rapid transit or urban transportation in Calgary, especially — whatever they call it in Calgary. Repeatedly their attempts at city hall had been less than successful in getting a number of components added to the program so that in fact handicapped or disabled people would be able to use the facilities. Mr. Minister, I suppose it would be very easy to say, well, the province puts up the money; the city decides what it's going to do. But I know there are occasions in other departments — and it may happen at the rarest of times even in this department — that the minister is able to sit down with some of the people from the city of Calgary and talk to them, not from the standpoint of a bullying situation — I'm not advocating that — but to have a second look, if that's what's needed, as far as this particular area is concerned.

Mr. Minister, the second area I want to talk about for a moment follows along the comments made by the member from Calgary, Mr. Payne, who just spoke previously. I'm not as interested in tremendous rapid transit service between Calgary and Edmonton as I am at first seriously looking at the possibility of some modification of the dayliner, or whatever it's called now, going north and south, starting from Red Deer early in the morning and going south and north. It seems to me that before very long we have to make a judgment whether we're going to, in fact, widen Highway No. 2 into additional lanes. I'm not suggesting that if we were somehow to

work the dayliner arrangement so that it could really be seen as a commuter train from Red Deer to Calgary and from Red Deer north that would forever stop us having to widen Highway 2. But I wonder, Mr. Minister, if any serious thoughts are being given to that proposal or other alternatives which basically could enable people who live in areas such as Airdrie, Crossfield, Carstairs, Didsbury, and just south of Edmonton to get to Edmonton and Calgary and back home in the evening.

MR. KROEGER: Mr. Chairman, first on the subject of LRT in the cities as it relates to the use by handicapped, and I guess the particular reference would be to the ongoing conversation in Calgary in this regard. I have had conversation's with the mayor and some of the people on city council, and certainly we do like to leave as much flexibility there as possible for the cities to make their decisions, specifically on the handicapped. A great deal of attention is being paid to providing transportation for these people. I don't want to make the argument, but the argument is being made that through handibuses and the kind of thing that can actually start at the residence of a handicapped person, moving that person right to their destination, this could be more effective than access to the LRT itself. I don't intend to make that argument, but that's one of the ongoing conversations.

As far as planning on the rapid transit is concerned — if that's a good word, or the faster train service, inter-city between Calgary and Edmonton — we have not at this time become actively involved in developing that. That isn't to say that we shouldn't or that we won't, but at the moment we're not.

DR. BUCK: Mr. Chairman, to the minister. I'd just like to make one or two comments in the area of mass movement of people, especially as it applies to the urban areas. I've always been of the opinion that when we talk about deficits — we're always concerned about deficits in transportation and public transit — I think we should take a more positive approach and try to indicate, especially to the taxpayer, that when we leave our automobiles at home and use the transit system, we are really saving money. Until we get our thinking turned around on this, we will never really have the type of mass transit systems we should have in our developing cities. All we really have to do is look at the European experience, where they do have excellent transit systems, where they do move people more readily and efficiently than we do in Canada.

So I'd like to say to the minister that when he is having discussions with his counterparts in the major metropolitan areas, we do change our thinking on what we're trying to accomplish. Make people understand that we are really saving money, even though our transit systems show a deficit in actual dollars.

Mr. Chairman, at the same time as I say that, in trying to encourage people to use rapid transit and mass transit, what leadership is the government providing in trying to encourage its employees to say: now, instead of four cars coming down to the Legislature Building or to government offices, if you people form a car pool, that one car will receive a bonus for its parking, get it at a cheaper rate; whereas if four people are using four cars to come down here, they pay some type of penalty. We in government seem to be the greatest people to say, well, you're a civil servant; therefore we will subsidize your parking. I think that's taking the wrong approach. The city of Edmonton has taken the approach to encourage

their employees to leave cars at home, to use transit systems, to use light rapid transit and mass transit.

So, Mr. Chairman, I'm not going to give you my biannual speech: don't let the cities and the railroads tear out the rail lines that are already in position; we're going to need those down the road. I'll save that for next year, Mr. Minister of Transportation.

What I'm basically saying to members of the committee, Mr. Chairman, is that we have to change our philosophy and make ourselves realize that when we leave that automobile at home, especially to bring it to the centre of the city, we are saving money and energy, and moving people more efficiently. I'd just like to say to the minister that when he's negotiating and in consultation with his counterparts in the urban areas, they make the point: let's try to encourage the usage of mass transit.

MR. NOTLEY: Mr. Chairman, just two or three items. First of all, I certainly agree with the Member for Clover Bar that we should emphasize the use of rapid transit and the transit system where possible, from an energy conservation point of view. There really isn't much doubt, Mr. Chairman and members of the committee, that all parts of the country have an obligation to be serious about energy conservation, including a province like Alberta where we have substantial supplies for our own use for many, many years. When one considers the overall energy problems the country faces, we can talk — and no doubt will be, either later tonight or tomorrow — about the energy side of the equation, increasing the amount of energy available, but the energy you save is cheaper than the energy you have to find, particularly at these prices. So I would strongly second those sentiments.

There are really two things I'd like to deal with. I want to go back to the light rapid transit system in Calgary and some of the concerns that have been expressed about the ability of the physically handicapped to use that system. Now I appreciate the answer the minister gave. I've heard that answer from a number of people, and to a certain extent I appreciate it. I don't entirely agree with it, though. The argument is that we can provide to-the-door service for the physically handicapped with the DATS service. But the fact of the matter is, Mr. Chairman, to the minister, we are making a lot of public dollars available for the development of a light rapid transit system. The fact of the matter is also that there are many occasions when the physically handicapped can use a light rapid transit system if it's accessible to them.

I believe it was in London where I noticed physically handicapped people using the underground. It seems to me that's the sort of thing we have to look at in developing our rapid transit system. I realize that some of the engineering has been done in the case of the Calgary one and it would cause the expenditure of some extra funds, but we are really talking about making accessible to everyone, every taxpayer, something we are putting a large number of public dollars into the construction of. That being the case, I think it's highly questionable not to engineer that so the physically handicapped are able to use it. I don't think it's a reasonable trade-off or *quid pro quo* to say we have the DATS service and that that's adequate. It seems to me that when we commit ourselves to the public dollars necessary for major urban transportation systems, those systems should be accessible to the physically handicapped.

Mr. Chairman, the other comment I want to make to the minister is perhaps to differ somewhat with both the minister and the Leader of the Opposition on the ques-

tion of the eventual use of the corridor between Calgary and Edmonton. I'm convinced that over the long haul, with the population of our two cities now rapidly growing, we should be looking very closely at engineering a system that would allow us to use high-speed trains. It's very nice to be able to flit down to Calgary on the airbus, and I do it as much as any other member, or to be able to drive down the highway, and I do that as much as other members do. But the question is: if we're really serious about this business of energy conservation, we're going to have to move people over the long haul in a more energy-efficient way. There is just no question that people driving cars or flying in an airbus is much less energy-efficient than the usage of high-speed trains.

As the Member for Clover Bar has indicated, in Europe it seems to work quite well. I know that in a sense the government of Alberta is in a bit of a conflict of interest on this matter, because as the owner of Pacific Western Airlines, I have no doubt that a large part of the profits shown last year by PWA is directly related to the airbus run between Edmonton and Calgary. But over the long haul, I think we have to signify to the rest of the country: are we serious about energy conservation or not? In my judgment, a long-term commitment to rapid rail service between the two major cities is one area we should be considering. Some of the other rail lines are perhaps not too feasible because of the distance involved. But between the two major cities at 175, 180 miles — I find it difficult to conclude that we're in such a rush, Mr. Chairman, that it wouldn't be possible with high-speed trains to develop a very commercially successful service between our major metropolitan areas.

MR. KROEGER: Mr. Chairman, commenting quickly on comments by both the Member for Clover Bar and the Member for Spirit River-Fairview on the LRT as it relates to the handicapped, the final decision isn't in, so I'm not prepared to say what will happen there.

On the second part, I think the signs are all around us. On energy conservation, the possible use of high-speed trains and so on, the examples of the builders of large cars now experiencing problems, the car pool concept: all these things are being brought home to us very forcefully. I can see that decisions, and hard decisions, will have to be made very soon.

MR. LITTLE: Mr. Chairman, to the minister. I just want to make a couple of comments in connection with public transportation. I think we all recognize this is an area we've got to get into, but merely constructing public transportation does not force the user onto it. How you go about it, I don't know. The Member for Clover Bar mentioned the large numbers using public transportation in London. But there are practically no parking facilities in that city, and you will find that in the cities of the world where public transportation is successful, this is almost a rule. For example, in London, England, and New York City — in the Manhattan area at any rate — there is practically no parking, whereas in the city of Calgary we're continuing to construct more and more parking structures. As long as there is parking, cost alone is not a deterrent.

Commissioner Cornish of the city of Calgary recently did a study; unfortunately I left it in my office. I can't quote you the numbers, but the cost of driving your own car is by far the most expensive means of transportation. It's almost three times that of taxi. He came to this priority: your own automobile being the most expensive,

then taxi, then public transportation. But as I suggest, mere cost isn't going to do it. London, England, and New York are successful with public transportation. The automobile capital of the world, Los Angeles, can't get its people to use public transportation. They had public transportation at one time; they wouldn't use it. For years I used to walk down to the office every morning. That was my means of conservation. Over our main bridge there were three lanes of cars going into the city every morning, and in the evening three lanes coming back, and almost without fail, driver only.

The city of Vancouver did a survey over the Lion's Gate bridge a couple of years ago and determined, I think it was, about 12 persons per vehicle in the rush hours. I don't know what sort of car the .2 driver was driving. It was probably a miniature car. But the point I'm making is that if anybody is kidding themselves that the day we construct LRT it's going to be an immediate success, they're wrong. There has to be some way of either encouraging or compelling people to use it. The cost of fuel is not going to be one of those methods. I would suggest, Mr. Minister, that this is an area that has to be studied at some length before we invest considerable sums of money.

MR. KROEGER: Mr. Chairman, in that regard, we have to keep in mind really that we're ahead of our times, when you keep in mind that the cities of Calgary and Edmonton are now only in the order of about half a million people, which is small for contemplating LRT systems. It's a sort of chicken and egg thing when you get into forcing the use of these systems. I would think New York has taken care of it nicely by providing no parking. I guess that takes care of whether you use it or not. In Calgary and Edmonton, first of all, we will have to develop the system, and then we can turn our attention to the penalties for not using it. I suppose that would be the order of procedure.

MR. MAGEE: Mr. Chairman, through you to the Minister of Transportation, I would just like to remind members that last year — I think in the springtime — the former Minister of Finance for Canada, Mr. Benson, was asked to conduct hearings at Red Deer and other places regarding whether VIA Rail would close down passenger service between Calgary and Edmonton on the present line. I know that Transport 2000 had been very interested in the results of that survey. There's great concern by many of the people who live along that now rail route. There is limited passenger service on it. My hope, expressed on behalf of the constituents of Red Deer and other urban areas along that route, would be whether that rail line would continue to give passenger service. So my question to the minister, have you heard of any results from the Benson inquiries, and what's the anticipation as to the results?

MR. KROEGER: Mr. Chairman, I don't have any information of that kind, but I'll be pleased to see what I can come up with and get it to the member.

Agreed to

6.1 — Program Support	\$482,853
6.2 — Financial Assistance—Capital	\$109,004,000
6.3 — Financial Assistance—Operating	\$14,017,000
Total Vote 6 — Urban Transportation	
Financial Assistance	\$123,503,853

7.1 — Surveys and Mapping

MR. NOTLEY: Mr. Chairman, just briefly with respect to the questions I raised today about the transportation of hazardous goods and possible rerouting of rail lines, and transportation corridors for hazardous goods. What consideration is the department giving at this stage to that issue? I understand that the federal Act — which was originally brought in in 1978, was held over until 1979, and is now going to be introduced again — didn't really look at the question of special transportation corridors. But if we are going to move in that area, that will obviously involve land acquisition. So perhaps the minister could please give us some indication as to where things stand on that question.

MR. KROEGER: Mr. Chairman, I had some discussion this afternoon on this subject, keeping in mind that the transportation of hazardous goods falls into about five departments, including Federal and Intergovernmental Affairs, Disaster Services through Municipal Affairs, Environment, and so on. The word I had this afternoon was that the federal Department of Transport is expecting to be able to move, not in months but in weeks, on developing a Bill, a semblance of what we had in Bill C-25. As soon as we get clarification, we will be able to do some positive planning in this regard.

MR. NOTLEY: Just following that along for a moment, as I recall the draft Bill of two years ago, there really wasn't any commitment there of federal funds for major rerouting or transportation corridors. Is the minister in a position to give us any indication as to whether, in the federal assessment of the question, Ottawa is prepared to make funds available for rerouting where rerouting is possible? I realize in many instances it isn't. But where there is an argument for transportation corridors for this type of thing, obviously that's one of the considerations the government would have to take into account. Is that going to be borne exclusively by the provincial government, or will there be any federal dollars for that sort of thing?

MR. KROEGER: Mr. Chairman, no commitment of any kind has been made by the federal government to us that they would be ready to discuss, never mind commit, at the moment. I would think that the sequence of events that has to take place here is that, first, we do have to come with a policy. We will certainly be in conversation with them to discuss this kind of thing as soon as we get a final position on how it's going to be handled.

MR. NOTLEY: Mr. Chairman, just to follow that along for a moment. Are we as a government making representation to the federal officials on this question? For example, are we supplying the federal minister now with a set of criteria that the government of Alberta would consider reasonable? Are we asking for some kind of cost sharing, if there are to be rerouting costs? Have we made specific recommendations on the labelling and other methods of control for hazardous goods?

MR. KROEGER: Yes, Mr. Chairman, we have made comment both verbally and in writing to the Minister of Transport Canada, excluding the part on cost sharing. The formula on that has not been discussed. The other items mentioned by the hon. member have been communicated to the federal minister.

DR. BUCK: Mr. Chairman, just one question to the minister on the movement of hazardous chemicals. Has the minister had any communications with his federal counterpart as to the rerouting around Fort Saskatchewan? Because there is a crossover with the CNR and CPR. I brought this to the minister's attention last year. Have there been any discussions about a crossover with the two rail lines to reroute the trains around Fort Saskatchewan?

MR. KROEGER: No, Mr. Chairman. One reason for that is that when I had discussions with the federal minister, he reminded me that he was three weeks in the portfolio and wasn't prepared to get into those kinds of specifics at that time.

Agreed to	
7.1 — Surveys and Mapping	\$5,263,723
7.2 — Property Acquisition	\$1,687,103
Total Vote 7 — Surveys and Property Acquisition	\$6,950,826
Department Total	\$562,379,866

MR. KROEGER: Mr. Chairman, I move the vote be reported.

[Motion carried]

DR. BUCK: Too bad you didn't get that extra \$40 million, Henry.

Department of Energy and Natural Resources

MR. CHAIRMAN: Does the minister wish to make any comments?

MR. LEITCH: Thank you, Mr. Chairman. I would like to take this opportunity to express my appreciation to the members of the department for what I consider to be outstanding support and work they have done during the past year.

I think for department personnel the past fiscal year was an unusual one. We had, for example, an exceptionally severe fire year which placed great strains on the personnel of the department. The same people who were coping with that problem also, of course, had a very extensive workload in connection with the Berland-Fox Creek timber management area.

Other senior members of the department were extensively involved, of course, in the energy negotiations which were ongoing in a very active way until the federal election. I'm sure members of the Assembly are aware that during that period senior members of the department were called on to work many evenings, weekends — a lot of travel. In my judgment, Mr. Chairman, they did an outstanding job.

Finally, I would simply like to call the attention of the members of the committee to one area in which I am very pleased we were able to have a major thrust in this budget. That is Vote 4, Forest Resources Management, where we have a very major increase in forest research. Those, Mr. Chairman, are the only opening comments I would wish to make.

DR. BUCK: How about the beetles?

MR. LEITCH: We'll look after those too.

MR. R. CLARK: Mr. Chairman, I'd just like to ask one or two general questions, following up the questions my colleague, the Member for Little Bow, asked today with regard to the negotiations. I take it, Mr. Minister, that the state of negotiations is basically that there's been one discussion between Alberta and the federal officials, and that once the federal minister feels he's — I'd best be careful how I phrase this — ready to start the negotiations, there will be direct negotiations between Alberta and the federal government. And Alberta's really waiting for that call. I take it from recent pronouncements by the Premier that it's really a matter of starting back at square one now, that Alberta has changed its position and is not saying now that the agreement which was reached by the Conservative government is the minimum Alberta would settle for. Is that an accurate assessment of the position today?

I should ask one other question, Mr. Minister, while I'm on my feet. Without being hypothetical, let's for a moment assume that no agreement is worked out before July 1. I for one would hope that would be possible, but with the referendum in Quebec I'm sure that's going to be taking a great deal of attention by a number of people, at least at the ministerial level in the federal government. If an agreement isn't worked out by July 1, what is the situation then? As I understand it, we're without a pricing agreement. What is the sequence of events at that time?

MR. LEITCH: Mr. Chairman, perhaps I could begin to respond to the questions of the Leader of the Opposition by outlining Alberta's position as of now. We have used the phrase "we're back at square one", but I think that needs to be taken in conjunction and interpreted in the light of other statements we have made with respect to the energy package. Essentially our position is this: we are prepared to have things taken out of the energy package. When I say "energy package", I'm referring to the agreement that was in place really in principle, although there were still some details to be worked out and agreed upon before we could have concluded the agreement with the former federal administration. In that energy package we're prepared to have things taken out, prepared to have things added, prepared to change some of the terms of the various components.

But the bottom line in the sense of net benefits to the people of Alberta must remain the same. That has been our position, stated publicly on a number of occasions since the federal election. You need to interpret that "we're back at square one" position in the light of that statement, because I assume in a sense it's correct. We are prepared to alter any of the terms of the energy package and any conditions, so long as the bottom line in net benefits remains the same.

As to the current state of negotiations, I don't think I can expand on what I said in the House this morning. I've had one meeting with the federal Minister of Energy, Mines and Resources that was not a negotiating session; it was a discussion session. Of course, we covered a range of energy matters in that discussion, but you wouldn't describe them as negotiations. I indicated to him that I would be able to meet with them to open negotiations whenever he felt he was prepared to open them, bearing in mind that he was then only a few weeks in the portfolio and it would obviously take some time before he would be prepared to begin negotiations. I have not heard from him yet with respect to fixing a date for those

negotiations, although he has indicated that it would be some little while yet before he would be ready to have a meeting.

Finally, Mr. Chairman, with respect to the sequence of events following June 30, 1980, in the event that on that date we do not have a new energy package in place, I am not at all sure I can speculate at the moment as to how events might unfold following June 30, 1980. I guess there is a wide variety of possible scenarios. Which one will turn out to be the fact will depend, I think, to some extent on what occurs in our negotiations with the federal government between now and June 30.

MR. R. CLARK: Mr. Chairman, to the minister. Mr. Minister, in the course of the reply you talked about the agreement in principle that was in place with the former government, and that it was really a matter of tidying up some aspects of that agreement. That may not have been the exact term, but I hope it captures the sentiment the minister expressed. Mr. Minister, would it be possible for you at this time to outline, not in great detail, but simply what the Alberta government saw as the agreement in principle between the former federal government and Alberta?

MR. LEITCH: Mr. Chairman, I'll endeavor to outline what the major elements of the energy package were. I'm doing it from memory, so I'd like to reserve the right to check in *Hansard* what I've said against the actual agreement. But obviously a very important component of the energy package agreement was pricing for oil and natural gas. The agreement had been reached that there would be a \$4 increase during 1980, of which \$1 has occurred; \$4.50 in each of the next two years, plus, on January 1, 1983, an additional increase if required to bring the Canadian price to 75 per cent of Chicago; then a further increase of \$4.50 during the subsequent 12 months; plus on January 1, 1984, an additional sum if it were necessary to bring the Canadian price to 85 per cent of Chicago. That essentially was the oil pricing agreement applicable to conventional oil.

Natural gas flowing volumes as of now were to continue to be priced at 85 per cent of oil on a BTU basis at Toronto. We had included an incentive natural gas pricing program, which I outlined to the Assembly earlier. In that program new volumes of natural gas would attract a lower price, being 65 per cent of parity with oil on a BTU basis during each block of gas, and there would have been five blocks, for a period of five years. In addition, we agreed to an extension of the eastern pricing zone eastward to include Quebec City. The effect of that is that the cost of the facilities to transport that gas and the cost of transporting it to Quebec City would have been backed up to the Alberta border and paid in the same way we're now paying the costs of transporting natural gas to the east.

In addition to that, we required a commitment on the part of the federal government to continue its policy of approving exports of those volumes of natural gas found surplus to Canadian needs. Of course the question of whether they're surplus to Canadian needs does not arise until the Alberta Energy Resources Conservation Board has found volume surplus to Alberta needs. An important component of that was a commitment that there would not be an export tax on either current or future volumes of natural gas being exported to the United States.

There were a number of commitments related to oil sands development. But perhaps before I go to those I

might, with revenue matters, say that we had indicated we would not be opposed to altering the current practice of having bonus payments deductible for federal income tax calculation purposes, and would not have opposed a change in the federal income tax in that respect to make them non-deductible. In addition we were prepared to confirm our policy of not increasing Alberta's royalty levels beyond their present level, assuming we could get the energy package that we had under discussion.

With respect to oil sands development, we were prepared to agree to a different commercial terms formula for Alsands and the Esso Cold Lake project. When I say "different", I mean one that would be different from the formula in place for Syncrude. Essentially, the change would have led to the federal government having a greater taxing capacity with respect to profits flowing from Alsands or Esso projects than they have under the existing arrangement with respect to Syncrude. We were also prepared to commit to very major investments in equity and debt in both those projects. Further, we were prepared on a best efforts basis to commit to having a permanent work force in place in respect of oil sands development, so that that work force could move from one plant to the next.

There was also a commitment with respect to a drawing account, if you like, by the federal government by way of borrowings to their proposed energy self-sufficiency fund. That would be a drawing rate, as I recall, of up to \$400 million per year for a period of five years. It would be at the going interest rate, and would be guaranteed by the federal government. In short, it would be very comparable to the kinds of loans we are currently making from the Heritage Savings Trust Fund to other governments.

Mr. Chairman, I may have overlooked . . . Well, there was one other item as part of the energy package that was very important. That was the federal government's taxation intentions with respect to the industry. There were a number of discussions over the form of that taxation proposal. Members of the committee will recall that we were exceedingly firm in our position that there should be no severance tax, production tax, or any tax that went to the wellhead in the sense that it had to be paid because there was production as opposed to having to be paid because there was profit. We took that position because, in our view, any form of severance tax or production tax would simply be a federal royalty on a provincial resource. We found that totally unacceptable in principle, our position being that any taxing by the federal government had to be in the area of a profits tax. We were also concerned about the level of taxation by the federal government, because we of course are vitally concerned with the viability and health of the oil and natural gas industry in Alberta, since it contributes so many jobs for Albertans. So we were interested in the taxation levels that the federal government had in mind. From that point of view, we did not want a taxation level that would have impaired the viability of the industry in Alberta.

Finally, on taxation and pricing matters, of course in the oil sands part of the package would have been commitments by the federal government with respect to pricing and a taxation regime that would have enabled those two projects to go ahead on the commercial terms we had been discussing with them. In short, the whole package with respect to those two projects had to be tied up as part of the energy package.

Mr. Chairman, I think I have certainly covered the major elements of the package, although, as I said earlier,

I'd just like to check on what I've said to make sure I haven't left out any major components.

MR. R. CLARK: Mr. Chairman, thanks to the minister. Mr. Minister, just one further question, basically. If I recall the comments made earlier, there was considerable public discussion when the federal budget came down — and the matter of tying up the loose ends before the government was defeated. My perception of the discussion that was public at that time was that the areas where there were still some loose ends to be tied up, if that's the right term, were in this question of how the federal government was to be involved in taxation. And no question, I support the position the province of Alberta has taken in not letting the federal government become involved in any way in taxation at the wellhead. Mr. Minister, this question of taxation and the way in which the federal government was going to raise revenue — was that the area where the discussions had yet to be finalized?

MR. LEITCH: No, Mr. Chairman, it wasn't. The discussions on the taxation matter, as they developed, reached the point where the federal government was agreeable to getting the revenues it thought it ought to get from the oil and natural gas industry by way of a profits tax. But the question that had arisen as the negotiations were moving to a close was whether a profits tax at the level they were contemplating was doable. I think that is the most accurate way to phrase it, because of a number of complications including the protocol between Canada and the United States with respect to tax on non-residents and things of that nature.

So at that point, officials of the federal government and our officials went to work on the question of whether such a tax was doable. Shortly before the election call, the officials of both governments concluded that it was doable in the profit sense.

So that was really not one of the loose ends that were still to be tied up. There were other matters, and while they were important, they would not have the significance of the principal elements of the agreement I've just outlined.

MR. NOTLEY: Mr. Chairman, if I could just get this clarified in my own mind. Do I take it from the Treasurer's remarks that the problems with respect to the profits tax had in fact all been ironed out and that it would have been possible, and would for that matter be possible now, for the present administration to take the same route? When the minister is answering, could he give us an approximate breakdown? There were reports at the time as to the amount that would go to the province and the amount that would go to the federal government through the final profits tax. Does the minister have those figures at his fingertips?

MR. LEITCH: No, Mr. Chairman, I don't. Over the course of the past year and all these negotiations, we've had so many figures floating around that I wouldn't try to call to memory the division, even with respect to the items on which we had agreed.

Going to the taxing question — and I'm not sure I understood precisely what the hon. member was asking — the position was that the officials had reported that they thought the tax was doable, so that was the last obstacle to our reaching an agreement. Now it may well have been of course, as one gets into the greater detail.

opinions could have changed. We had not gotten down to signing an agreement, and of course reviews go on until you have. You don't have an agreement until you've actually signed it. But at the time of the election call, the position was that the officials had reported to both governments that a profit tax raising the funds that the federal government thought ought to be raised from the oil and natural gas industry was doable.

MR. NOTLEY: Mr. Chairman, I guess that answers the question. Although we may still have some problems down the road on that, presumably, at least the initial response was, it was.

What commitments were we prepared to make? The minister indicated that we would see a slight adjustment on the question of bonus payments being deductible, changing that in order to allow the federal government to levy a profits tax. Were any other adjustments made? For example, the minister indicated there would be no increase in royalties. Was there to be a modification of our royalty structure in any way in order to allow the federal government room to tax on a profits level? And was there going to be any further modification of what would be deductible?

I recall the debate we had in this House and in the country in 1974 over the deductibility of royalties, first in the May budget and then modified in the November budget that the then Minister of Finance . . . Were any other modifications made by the province of Alberta other than on the question of bonus payments being deductible?

MR. LEITCH: With respect to royalties, Mr. Chairman, our commitment was not to increase them above the current levels. We made no commitments with respect to what alterations we might make in the royalty system. We have of course made what I would call relatively minor adjustments in our royalty levels from time to time. I think the most recent was to reduce royalty with respect to very low-producing wells to a level approaching zero. Our reason was simply a question of supply. We did not want the province's royalty level to shut down a well that could still produce economically. That was the reason for making that slight downward adjustment, which was done during the past year. But there were no commitments on our part with respect to royalty levels, except not to increase them above their current levels.

The second part of the question has slipped my memory at the moment.

MR. NOTLEY: That was basically the question I asked . . .

MR. LEITCH: Oh, yes, other tax changes. No, my recollection is that essentially the tax systems were to stay in

place as they are, although we each recognized there might be minor adjustments, but none of a nature that would in effect thwart the energy package arrangement. We didn't want to be in the position we were in in '73-'74 when, after agreeing on a pricing arrangement, there was an alteration in the royalty deductibility provisions, which materially affected the viability of the industry in the province of Alberta.

MR. CRAWFORD: Mr. Chairman, I move the committee rise, report, and ask leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1981, sums not exceeding the following for the Department of Transportation: \$6,079,410 for departmental support services; \$393,339,917 for construction and maintenance of highways; \$12,000,000 for construction and operation of rail systems; \$10,579,539 for construction and maintenance of airport facilities; \$9,926,321 for specialized transportation services; \$123,503,853 for urban transportation financial assistance; \$6,950,826 for surveys and property acquisition.

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, tomorrow the House will be in Committee of Supply again. I would think that will take all the time available tomorrow. Perhaps I'll give a better view then in regard to Monday, but most likely in the afternoon we would deal with the second readings and committee study of Bills that are available for that purpose. In other words, not quite all, but it's in respect of which ones we will be able to deal with that I would be a little more exact tomorrow.

HON. MEMBERS: Agreed.

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

