

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Thursday, May 8, 1980 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. KROEGER: Mr. Speaker, in your gallery today we have some visitors I would like to introduce. Before I do, I would like to make a comment. All of us are familiar with the name Goodyear in North America, one of the largest corporations that we have. It's associated with various areas of manufacturing. The thing that interested me particularly was that this corporation has been in the business of manufacturing aircraft, lighter-than-air craft specifically, since 1912. They have now progressed to the stage of development that they are looking at Canada and Alberta specifically for a location to develop and manufacture for world-wide sales.

We have today the president of Goodyear Aerospace from Akron, Ohio, who has been meeting with government and business people, accompanied by Mr. Williams, from his corporation; Mr. Sutherland, from Edmonton; and Mr. McFarlane of our department. Would they please stand and be recognized.

head: **READING AND RECEIVING PETITIONS**

MR. NOTLEY: Mr. Speaker, I would move that the petition I presented yesterday be now read and received.

CLERK ASSISTANT: Mr. Speaker, I certify the petition is in all respects in order to be read and received:

To the Honorable, the Legislative Assembly of Alberta in Legislature assembled:

The Petition of the undersigned of the Village of Berwyn and its Environs humbly shows:

That, as a result of announced plans to build a totally new hospital in the Town of Grimshaw and phase out the present hospital facility in Berwyn

Your petitioners fear that medical services in the area will deteriorate significantly

Wherefore, your petitioners humbly pray that your Honorable Assembly will consider reviewing the announced decision, and the maintenance, renovating and expansion of the current Berwyn Municipal Hospital.

head: **INTRODUCTION OF BILLS****Bill 46****The Societies Amendment Act, 1980**

MR. KOZIAK: Mr. Speaker, I request leave to introduce Bill No. 46, The Societies Amendment Act, 1980.

The Bill would provide for changes in definitions which

would more closely parallel the definitions for directors and special resolutions found in The Companies Act. The now archaic, extraordinary resolution is eliminated. The Bill would require that societies keep a register of all their members, including their names and addresses, and have those available for the membership.

[Leave granted; Bill 46 read a first time]

**Bill 225****An Act to Amend****The Alberta Energy Company Act (No. 2)**

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill No. 225, An Act to Amend The Alberta Energy Company Act (No. 2).

Mr. Speaker, there are really two basic principles contained in this Act. One would make the Alberta Energy Company clearly accountable to the Alberta Legislature. The other would indicate that 51 per cent of the total number of issued and outstanding voting shares must be held by the government of Alberta.

[Leave granted; Bill 225 read a first time]

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. HIEBERT: Mr. Speaker, it gives me pleasure to introduce to you, and to members of the Assembly, a group of 40 grade 9 students from St. Kevin's school. They are located in the members gallery, and are accompanied by their teacher Bob Chorney and the assistant principal Julian Usyk. Would they please rise and accept the customary welcome of the House.

MR. KING: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, 15 grade 12 students from Concordia College in the constituency of Edmonton Highlands. The tour was arranged by Mr. Richard Willie. The students are seated in the members gallery. I would ask them to rise to receive the welcome of the Assembly.

head: **ORAL QUESTION PERIOD****Health Care Insurance**

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Hospitals and Medical Care. What is the present practice of the government of Alberta for collecting debts in the form of unpaid premiums?

MR. RUSSELL: Mr. Speaker, a system is in place for trying to collect these receivables in two ways. Number one, if it's an individual premium holder, the usual follow-up methods available to anyone are used, outside of commercial collection agencies, which we do not use. If the delinquent is a member of a group, then the group employer is required to collect on our behalf and forward the past payments.

MR. R. CLARK: Mr. Speaker, to the minister. Is the minister in a position to give some sort of — I would use the term "rough estimate" as to the amount of payments to the health care commission that are in arrears at this time?

MR. RUSSELL: Going by memory, Mr. Speaker, the figure is approximately \$25 million.

MR. R. CLARK: Mr. Speaker, to the minister. Has the government used the procedure of garnisheeing wages for individuals who are not members of groups but are behind in their premium payments?

MR. RUSSELL: Mr. Speaker, I'd have to take that question as notice, because I'm not sure without checking with the department.

MR. R. CLARK: Mr. Speaker, either to the Minister of Hospitals and Medical Care or to the Attorney General. Would either hon. gentleman indicate to the Assembly the status of the account with — I suppose one might describe the individual as the could-have-been MLA for Edmonton Glengarry — Dr. Tal Talibi, and the arrangements that have been worked out between Dr. Talibi and the former Minister of Hospitals and Medical Care, and the overpayment to Dr. Talibi by the health care commission? Has the government collected that money from Dr. Talibi?

MR. CRAWFORD: Mr. Speaker, I presume this is the hon. leader's second question, because it's certainly not supplementary to the first.

The answer is that that matter is in the hands of legal counsel for the government. A number of meetings have been held in order to try to advance the progress of the lawsuit. I think with some success in the sense of defining the issues as between the parties. The result is that the possibility of a settlement is being discussed. Whether those discussions will succeed we couldn't tell at the present time. Indeed, it may ultimately go to court.

But I should say that the matter is now approximately a year old and very complex, and that much work has been done on it in the sense of meetings between legal counsel and defining the issues. Anticipating the concern of hon. members, I wouldn't say it's a matter that's been unnecessarily delayed simply because it isn't yet before the courts.

MR. R. CLARK: Mr. Speaker, I would never accuse the government of unnecessary delay on that particular issue.

But, Mr. Speaker, to the Attorney General. Can the Attorney General give the assurance to the Assembly that the government will press forward with the collection of that account with the same kind of fervor that it does when it attempts to collect health care premiums either from individuals in garnisheeing wages, or going to [employers] if groups fall behind, and getting the money there?

MR. CRAWFORD: Certainly, Mr. Speaker, once the critical decisions in the lawsuit are made as to whether the matter goes to trial. In the event it went to trial and a judgment were given, normal procedures to collect that would be followed. In the event that it were settled short of an actual judgment being given, it would be a condition that payment of an agreed sum would be made.

MR. R. CLARK: Mr. Speaker, to the Attorney General, and using his term "critical decision". Was not the critical decision made that, in the view of the government, Dr. Talibi had entered into an agreement with the former Minister of Hospitals and Medical Care which the government couldn't support? Was not that critical judgment

made when the Minister of Hospitals and Medical Care left his position some few days before the new government was sworn in?

MR. CRAWFORD: Mr. Speaker, I think the hon. leader and I are speaking of different matters. I'm speaking of the decision in the sense of whether attempts to settle the remaining details of the matter would succeed or not. At that point, if it appeared that no voluntary settlement were possible — and this has been pursued vigorously, as I've indicated — and along with the payment arising from such a settlement, then the decision I was speaking of is the one as to whether or not to hasten the matter to the further legal proceedings which are available to the government.

Now, the case is one of great difficulty and complexity in the sense of the number of transactions involved. It can't be compared with an individual's file in the sense of a person who has missed three, four, five, or 10 payments. I believe it involves thousands of individual transactions in order to see precisely what the case is. Those are the reasons for numbers of meetings to try to define what facts can be agreed upon and the like, the normal things that are looked at when settlements are attempted. That is why that process is going on. I've never considered the existence of the agreement that the hon. leader has referred to as having any relevance to our process.

MR. R. CLARK: Mr. Speaker, to the Attorney General. In answering the question, the Attorney General said that many meetings had taken place. Would the Attorney General indicate whether those have been meetings between the Attorney General's officials and the health care officials to determine the validity of payments, or was the Attorney General referring to several meetings between the legal counsel for the government and the legal counsel for Dr. Talibi?

MR. CRAWFORD: Mr. Speaker, in my position, I don't know of any meetings that might have been held other than the ones between the legal counsel that have been retained by both sides.

#### Natural Gas Pipeline Safety

MR. PURDY: Mr. Speaker, I'd like to ask a question of the Minister of Utilities and Telephones. Because of the seriousness and importance of the question, a short preamble is necessary. On the evening of May 6, 1980, a construction company dug up a natural gas line 6 inches in size with an approximate pressure of between 350 and 400 pounds per square inch. The county of Parkland police force and the Wabamun fire department cordoned off the area and took five families out of the area so that no damage would happen to any of the surrounding homes.

Due to the fact that construction companies are not checking with natural gas companies and co-ops, will the minister consider legislation or regulations setting forth very severe fines for companies which fail to check with co-ops and, in due course, are breaking lines?

MR. SHABEN: Mr. Speaker, I believe that a portion of the question should be directed to the Minister of Energy and Natural Resources, particularly in light of the recent inquiry by the Energy Resources Conservation Board into the Mill Woods pipeline break.

But I do want to comment on the matter raised by the

hon. Member for Stony Plain. He is correct; there was a serious break in a 6-inch gas pipeline of the West Parkland Gas Co-op. I want to comment on the speedy work of the employees and the manager of West Parkland, and the fire department of the community of Wabamun in responding and evacuating the homes. We're pleased there were absolutely no injuries. The operator of the heavy equipment that knocked out the line was blown off his vehicle as a result of the gas pressure, but there were no injuries. About 60 families had gas supplies cut off, but that was completely restored to their homes in about 10 hours.

The Minister of Energy and Natural Resources may wish to comment on the second part of the member's question.

MR. LEITCH: Mr. Speaker, I would add to the comments of my colleague that the representative of the Energy Resources Conservation Board was on the scene very shortly after the break and while repairs were being made.

With respect to the submission that we consider fines for the breakage of lines, Mr. Speaker, I'd want to review the existing legislation. I would also want to get an up-to-date report on the progress we're making with respect to the Energy Resources Conservation Board's recommendation a few months ago, arising from the unfortunate incident in Mill Woods. But I'll certainly take note of the member's representations.

MR. PURDY: Supplementary, Mr. Speaker, to the Minister of Utilities and Telephones. Due to the fact that isolating valves are 8 miles apart on this particular line, and it took approximately two hours to have the valves isolated and the gas drained out, is the minister considering extra funding because of the very high cost of these valves for gas co-ops, so that there could be more isolating valves on these large, high-pressure lines?

MR. SHABEN: Mr. Speaker, that's an excellent suggestion by the Member for Stony Plain. The length of steel pipeline in this particular case was approximately 15 miles, and the locations of the isolating valves through the reg. stations are usually dictated to some extent by the customer load and the taps. But I will take as notice the suggestion of the hon. member and refer it to the department for consideration.

#### 75th Anniversary — Grants

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Minister responsible for Culture. It's with respect to the \$9 million that has been set aside for funding proposals submitted by Albertans to the 75th Anniversary Commission. Is the minister in a position to advise the House this afternoon if there are any procedures whereby the 75th Anniversary Commission can monitor the use to which these \$9 million of grants are made to specified organizations?

MRS. LeMESSURIER: Mr. Speaker, that is quite a detailed report. I would certainly take it as notice and make sure the member gets a complete breakdown of the \$9 million.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to inform the Assembly whether there are any guidelines

with respect to penalties for organizations which receive grant money from the commission but don't in fact use the money according to the applications they have signed in obtaining the money?

MRS. LeMESSURIER: Mr. Speaker, we have representatives in the field who are working with the various organizations. Hopefully, they will be working with the organizations, keeping a watch with them. Also, we are hoping that organizations receiving this funding will also be working along with some of their MLAs, who also will be watching and hopeful that the people of Alberta will be able to share in the funds and the good tidings that these funds are being put to use for.

MR. KING: Mr. Speaker, if I could supplement the response of my hon. colleague, I should also direct to the attention of the Member for Spirit River-Fairview the fact that all proposals are first of all approved in principle, following extensive consideration by the 75th Anniversary Commission. Following approval in principle, a contract is developed, signed by the 75th Anniversary Commission and by the group which has applied for funds. The disbursement of funds is subject to the provisions of the contract, which in turn is controlled by the provisions of The Financial Administration Act and other legislation of this province. At the very least, the 75th Anniversary Commission would have civil recourse if any group did not use the funds according to the terms of the contract which is entered into pursuant to the original application.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister responsible for Culture. And I appreciate the answer from the hon. Minister of Education. Has the minister had an opportunity to review and respond to a letter from the Canadian Artists' Representation to Mr. Dowling, dated May 1, a copy of which went to the minister? This concerns the allegation of that organization that the Edmonton Art Gallery did not conform to the guidelines it established for an art show which received a grant from the 75th Anniversary Commission. To be very clear to the minister: has the minister had an opportunity to review the correspondence, to look into the question, and is she in a position to advise the House what her investigation has led her to conclude?

MR. SPEAKER: The minister may be able to answer briefly, but it does seem to me we're getting into a matter of very considerable detail, which would be more at home on the Order Paper.

MR. NOTLEY: Mr. Speaker, perhaps I can just simplify the question and ask the hon. minister if she's had an opportunity to investigate the complaint.

MRS. LeMESSURIER: No, Mr. Speaker, I have not. Perhaps my hon. colleague might have seen the correspondence, but I certainly haven't.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the concern from the Canadian Artists' Representation, will the minister assure the House that she will, in fact, look into the complaint and report back before the end of the spring sitting?

MRS. LeMESSURIER: Mr. Speaker, I'll refer that question to my hon. colleague.

MR. KING: Mr. Speaker, I will certainly look into any complaint that arrives on my desk, as I expect any other member of the cabinet committee on the 75th Anniversary Commission would. But I'm certainly not going to respond to something which comes to me at second hand.

MR. NOTLEY: Mr. Speaker, a supplementary question to either hon. minister. I would hope that the first hand will be the copy of the letter the minister received. But I would ask either hon. minister if the government is able to advise the Assembly whether there have been any problems with organizations receiving grants and not being able to conform to those grants because of delays in the approval of funding? I raise the question because the associate curator of the Edmonton Art Gallery has indicated that there were problems in Edmonton because of holdups in getting funding from the commission. Has the government had brought to its attention any expressions of concern about the holdup in funding?

MR. KING: Mr. Speaker, the answer to that is, yes, some concerns have been expressed to us about holdups in funding. However, that is a description of a situation from an applicant's point of view.

On the other hand, the staff of the 75th Anniversary Commission and the members of the committee themselves have certain legal and certainly moral responsibilities to the people of the province and to the Legislature. Mr. Speaker, I can recall an occasion when, in our desire to serve the public as expeditiously as we could, some enhancements were made to administrative procedure, and some of my colleagues in the House — not to mention members of the media and, indeed, members of the public — found that unsatisfactory.

MR. R. CLARK: And the Provincial Auditor, too, Dave.

MR. KING: In that case, their insistence was that regardless of particular cases, there was a general obligation to be very judicious in consideration of any ways in which the government funds are disbursed. We are following the direction of the Provincial Auditor and the requirements of The Financial Administration Act. From our point of view, we are being judicious.

MR. NOTLEY: Mr. Speaker, just one final supplementary question to the hon. minister. In light of that very firm statement, and I think that's a good statement to make, is the minister then saying clearly to the Legislature that any changes in programs occasioned as a result of delays in grants — that in fact those programs must continue to be explicitly on the basis of the applications and that no changes will be authorized, no exceptions made, regardless of the reason, unless it's a result of an agreement between the commission and the applicant?

MR. KING: That's the case, Mr. Speaker. As in any contract, the terms can be altered subject to the mutual agreement of both parties to that contract. I might say there have been some particular applications, the terms of which have been modified after the first application was made. That was done with my knowledge, as a member of the committee, and it was done subject to the mutual agreement of the two parties to the contract: the 75th Anniversary Commission on the one hand and the applicant on the other.

### Private Schools

MR. BATIUK: Mr. Speaker, I'd like to direct my question to the Minister of Education. I wonder whether the minister could advise the Assembly whether there has been a significant increase in the number of private schools in the province over the last two years?

MR. KING: No, Mr. Speaker, there has not.

### Campfire Bans

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Recreation and Parks. A directive went out from the minister's department indicating there would be a ban on all campfires within the boundaries of parks in the province of Alberta. Is there a ban on parks in the southern part of the province, where we don't have any fire hazard?

MR. TRYNCHY: Mr. Speaker, the directive that went out from my department some few days ago was with regard to parks in the northern part of the province. They're based on individual parks *per se*; we don't have a blanket policy for all of the province. But if there is a fire hazard, we ask our park wardens to notify us and to notify the people in the parks to be careful. We would place a ban if we felt it was necessary.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Have any of the fires in the northern part of the province been started as a result of campfires within park boundaries?

MR. TRYNCHY: No, Mr. Speaker, not to my knowledge.

MR. MANDEVILLE: A supplementary question to the hon. Minister of Transportation. Has any direction gone out from his department with regard to controlling campfires within roadside camps in the province?

MR. KROEGER: Mr. Speaker, this is possible, but I'm not aware of it.

### Health Care Insurance (continued)

MR. GOGO: Mr. Speaker, I have a question for the Minister of Hospitals and Medical Care. It is somewhat of a follow-up to the question the hon. Leader of the Opposition asked with regard to insurance premiums. Could the minister advise the Assembly if Albertans who, for whatever reason, have delayed paying premiums to the Alberta health care Act are still covered by medical care insurance in the province?

MR. RUSSELL: Yes, they are, Mr. Speaker. Perhaps I should expand on the \$25 million figure that I used when I responded to the earlier question. That's a cumulative debt owing since 1970, when the province of Alberta joined the federal medicare plan. It covers people who have never registered, people who have moved, people who are delinquent in their payments for some reason or another, or people who, for whatever reasons, are expressly dodging the payments of those premiums. In no case has anybody ever been refused medical treatment in the province because their premiums are not up to date.

MR. MANDEVILLE: A supplementary question to the hon. Minister of Hospitals and Medical Care. Has the minister any ballpark figure on the number of Albertans who have opted out of the insurance program?

MR. RUSSELL: Yes, I did see that figure the other day, Mr. Speaker. It's just over 100.

#### **Lord's Day Act**

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Attorney General and ask if the government plans to bring in any amendments to the Lord's Day Act this session. Perhaps I should preface my question to the Attorney General by saying it's raised as a result of the apparent intentions by Safeway in Calgary to open up seven days a week, and the fact that the maximum fine, I believe, is \$250. It becomes extremely difficult for the police force in the city of Calgary to enforce that if we end up with a wide-open Sunday, which is a very definite possibility.

So my question to the Attorney General is: does the government plan to bring in any amendments to the Lord's Day Act at this spring session?

MR. CRAWFORD: Not at the spring sitting, Mr. Speaker. I should mention that the government is keenly aware of the issue that has developed with regard to this. It's a matter that surfaces from time to time, and undoubtedly is an important one. It has to do with the situation in which employee groups find themselves when employers are looking to a seven-day week. It also has to do with the other side of the argument, that of appropriate levels of competition.

The law on the subject is regulated by all three levels of government, the federal Act being the primary one, and the provincial and municipal laws devolving, in effect, from the source of the federal government's jurisdiction in respect of Sunday observance.

All I could say to the hon. leader at the present time is that viewpoints on the issue are certainly being collected and collated by the department at the present time. It is quite likely that I would be making some recommendations to government caucus over the summer.

MR. R. CLARK: Mr. Speaker, to the Attorney General. Is it the present position of the Alberta government that, on a broad policy basis, the government would not support the concept of wide-open Sundays and would in fact support the concept of keeping Sunday as a day for family, or at least one day that individuals could be guaranteed there wouldn't be the broad commercialism we see today?

MR. CRAWFORD: Mr. Speaker, I think it's generally accepted that what the hon. leader describes is the state of the law today, and that the debate is over whether that should be changed or, if it's to be retained in its present form, whether the desire of local police forces to prosecute or the amount of penalty likely to be assessed when there is a prosecution — if those aspects of it are adequate. That's really what all the discussion is about.

The present policy is: when a request is received from any city police force with regard to the matter for the necessary concurrence, by way of a fiat, from the Deputy Attorney General to proceed with a prosecution, the fiat is given. I'm aware of the fact that because the fines are not large, some police forces are not pursuing that course.

MR. R. CLARK: Mr. Speaker, to the Attorney General. Is the Attorney General prepared to sit down with the officials of Safeway, in light of fact that over the summer the government will be looking at the matter? I believe the Attorney General indicated he would be making a recommendation to the government that Safeway would hold off any move into this area at least until after the government had had an opportunity to consider its situation and, hopefully, work out some agreement with Safeway so that we wouldn't take a very gigantic move toward a wide-open Sunday in the city of Calgary.

MR. CRAWFORD: Mr. Speaker, I hadn't given any thought to whether such discussions might take place. So far as I'm aware, I haven't been asked by the company mentioned by the hon. leader to enter into such discussions.

I would have a general reticence on trying to guide people directly, in the sense of their conduct, in an area which is subject to change at the present time. I think that when it's under review, government is fulfilling its responsibility by reviewing it and considering possible changes to the law. But to say to anyone that in the meantime they should avoid taking advantage of whatever rights they have is something I haven't really given much thought to and would be rather hesitant to do. Now if the reverse is true — that is, the suggestion that any company may breach the law — then I don't need to meet with them to tell them that my advice on that point is that that shouldn't be done.

MR. R. CLARK: Mr. Speaker, one last supplementary question to the Attorney General. I should preface it by saying that I have met with some of the groups concerned about the long-term implications, primarily people who would be working in the establishments. To whom should interested groups and individuals direct their representation? Should it be to the Attorney General, so that the Attorney General would have the benefit of that advice prior to his making a recommendation to the government this fall?

MR. CRAWFORD: Mr. Speaker, I would be pleased to receive representations and recommendations on the subject. I believe in due course it would involve one or more of my colleagues as well, in the sense that the discussion may well become what the municipalities should be entitled to do under provincial law in this respect. If the discussion gets into that area, and I'm sure it will, obviously the Minister of Municipal Affairs and perhaps others would be equally interested. But I would be pleased, in the upcoming weeks and months, to receive representations on the issue.

#### **Hog Marketing Review Committee**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture. It concerns the Foster committee. Is the minister in a position to advise the Assembly whether the Foster committee has engaged a consultant to assist in its work?

MR. SCHMIDT: No, Mr. Speaker. I have heard, in a roundabout way, that a consultant is being considered, but I have not had the opportunity to discuss with the committee whether or not there are any facts involved.

MR. SPEAKER: I believe the hon. Minister of Municipal Affairs would like to supplement some information.

#### **Hazardous Materials — Transport**

MR. MOORE: Mr. Speaker, yesterday and on several other occasions this session, members have asked questions with regard to the transportation of dangerous goods. I responded earlier that federal legislation was expected to be introduced in the House of Commons.

I simply want to advise, Mr. Speaker, that that federal legislation has now been introduced. It's referred to as Bill C-18. I believe it moved to the committee stage earlier this week. That particular Bill, as well as the regulations which might be attached to it when it's finalized, was reviewed in draft form by the director of Disaster Services for this province. In addition, the director of Disaster Services has undertaken to co-ordinate a provincial response on behalf of not only other government departments but municipalities and industries in this province. Some national industries have been dealt with directly by the federal government.

In general, we find the legislation now before the House of Commons, and the proposed regulations to it, to be in Alberta's interest and sufficiently broad to cover the problems we might have with respect to the transportation of dangerous goods. When the legislation is finally passed, it will be necessary for federal/provincial agreements to be constituted in order that enforcement of the legislation can be carried out.

Finally, I want to say in direct answer to the question yesterday by the Member for Clover Bar that the inspection of rail cars is a responsibility of the Canadian Transport Commission, as well as the movement of rail cars through urban areas.

#### **ORDERS OF THE DAY**

MR. SPEAKER: May the hon. Member for St. Paul revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

#### **head: INTRODUCTION OF SPECIAL GUESTS** (reversion)

DR. C. ANDERSON: Thank you, Mr. Speaker. It's my privilege to introduce to you, and through you, 54 grade 7 students from Vilna under the guidance and supervision of Mrs. Lucia Ash, their teacher. I'd like to apologize to them for being here late and not introducing them prior. I'd like to thank the Speaker for the opportunity to introduce you just before you walked out. I'll be out to meet you shortly. [laughter] I'd like to ask you all to rise and receive the welcome of the House.

MR. SPEAKER: May the hon. Minister responsible for Native Affairs also revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

DR. McCRIMMON: Thank you, Mr. Speaker. It's my privilege today to introduce to you, and through you to the members of the Assembly, on behalf of the hon.

Member for Lloydminster, 47 grades 5 and 6 pupils from Myrnam, Alberta. They're accompanied by their group leader, Mrs. Julia MacMillan. They're seated in the public gallery. I'd ask that they rise and receive the welcome of the House.

#### **head: MOTIONS FOR RETURNS**

MR. HORSMAN: Mr. Speaker, I move that motions for returns 115, 116, and 118 stand on the Order Paper.

[Motion carried]

#### **head: WRITTEN QUESTIONS**

114. On behalf of Mr. R. Speaker, Mr. R. Clark asked the government the following question:

- (1) How many complaints dealing with offensive odors did the ERCB receive during 1979?
- (2) By what means do ERCB inspectors seek to remedy pollution problems from offending gas or oil wells, gas plants, or refineries?
- (3) How many times has the ERCB closed down gas or oil wells, gas plants, or refineries due to excessive emissions during 1979?

MR. SPEAKER: Apparently the question has been agreed to.

MR. CRAWFORD: Mr. Speaker, yesterday I believe hon. members indicated that unanimous consent might be given to proceed with Committee of Supply, despite the fact it's Thursday afternoon. On that basis, perhaps we could ascertain it.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

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

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Would the Committee of Supply please come to order.

#### **Department of** **Social Services and Community Health**

MR. CHAIRMAN: The items that remain are, first, the department total.

MR. R. CLARK: Just before we call the department total — and if the question was asked, I'll check *Hansard* and that will be sufficient. Mr. Chairman, to the minister: could the minister outline the procedure under way for the review of PSS, preventive social services? At what time can we expect some sort of definitive action?

Mr. Minister, one of the concerns expressed to me by a number of groups has been the question of the possible change of emphasis in PSS from prevention to more emphasis in the area of opportunities for senior citizens. In no way am I taking away from the contribution that senior citizens have made in this province. But that spe-

cial emphasis coming under PSS, it seems to me, would be a move absolutely in the wrong direction.

MR. CHAIRMAN: I have some reservations at the moment because we're dealing with a specific vote, Vote 10 in fact, which has already been approved. I realize that some of the members perhaps were absent from the House when this was discussed, or maybe were not able to get all the information at that time. I wouldn't want to set a precedent here that we're going to go back to specific votes. But I think if we get unanimous consent, and the minister agrees, perhaps he would ... Is it agreed, then, that we proceed?

HON. MEMBERS: Agreed,

MR. NOTLEY: Mr. Chairman, we could probably do it that way, or we could do it in supplementary estimates. I just want to put a couple of questions to the minister as well.

Mr. Minister, as I looked over the guidelines of the review, one of the things that concerned me a bit was the suggestion that we might even be abandoning PSS. It doesn't say so specifically:

To determine whether the province should continue with the preventive social services approach in its present form. Should it be accelerated? Should new or modified emphasis be brought to bear on the program?

Then, this is what concerns me:

Should the program be phased out?

I can understand that there's some merit in periodically reviewing programs. There's nothing wrong with that. But I know that some people in the field are a little concerned about that particular option being addressed. I assume it isn't being entertained by the government, but I would like some indication.

I raise the question of PSS with a certain sense of sorrow, because I think it's a good program. Unfortunately, I represent one of those areas that isn't in the program. I think the north Peace in particular has lost a great deal, because some years back when the question was decided at the local levels, the communities chose not to go into PSS. There are a lot of good programs that I think would otherwise have been available.

The other question I have, Mr. Chairman, relates to some of the observations I made yesterday on day care. I'd like the minister, either here or under supplementary estimates, to respond particularly to the idea of a two-tier system for funding. It seems to me we have to develop an incentive to improve standards in both the private and public sectors.

I think that really covers the two questions I had, Mr. Chairman. So whatever response I may make will depend on the answers.

MR. CHAIRMAN: Are there any other questions referring to this area?

MR. BOGLE: Thank you, Mr. Chairman. I'll deal with the items on PSS first. If there are any further questions on that, I'll try to deal with those, and then try to wrap up with the questions on day care, if that's agreeable to the members.

Firstly, I'm very pleased that both the Leader of the Opposition and the hon. member representing the other opposition party have raised this item, as it's something that's very special, from my point of view. In any given

term, Mr. Chairman, I think a minister looks at his or her department and selects anywhere between two and five areas where they hope to make a major review to determine whether the programs are in fact going in the right direction and if there should be some changes. PSS is one such area in my point of view.

I was first introduced to the program some 10 years ago by the then and still PSS director for the Barons-Eureka area, a very unique area in the province as there is a single board which administers both the health unit and the PSS. I saw some of the very positive programs in operation long before becoming a member of this Assembly. Therefore, the basic concept is one which I certainly believe in. Any time we can develop a preventive program ... I responded that way to the hon. Member for Little Bow, who unfortunately is not in his seat today, a year ago when I indicated my major priority was in the area of prevention, whether it's a dental care program, PSS, or what have you.

It seems to me, Mr. Chairman, that it's very timely that we reassess PSS, now that we have a 13 and a half year history. We reassess the basic thrusts; we look at where we've been in PSS and where we're at now, so we can determine where we want to go in the future. There are currently some 53 PSS contracts with municipalities across this province. There are a lot of very exciting programs taking place.

There are a number of important issues which I think need to be addressed. As members know, the cost-sharing formula we currently have with municipalities is 80:20. In the terms of reference, I've tried to list in my own words in a very basic way the things that I think need to be looked at: to assess the current programs and services; to decide whether there are various categories, basic programs which are necessary, desirable programs, and some that might be described as optional; to make recommendations on the future; and to determine whether the province should continue PSS in its present form, continue with some minor modifications, continue with some major modifications, or to discontinue. If we're going to give a mandate to organizations or groups to look at a program, surely they should have the ability to look at the entire program and determine what should be done from one end of the scale to the other. That's part of the mandate. The hon. member should be aware of that.

I asked that particular attention be paid to the role of the volunteer. To my way of thinking, that's one of the most important ingredients in our society. This province was built by volunteer spirit, by a free-enterprise group of peoples who helped one another. That spirit is an integral part of our society today. We do not want government programs and activities in any way to undermine inadvertently — and I emphasize the word inadvertently, Mr. Chairman — the role of the volunteer. Therefore, that's one of the main thrusts.

The time frame for the review is indicated as July 1 in the attachment to the news release which I issued on February 1 this year.

I expect the information to be gathered by the three committees, again, a novel approach from my point of view. In government, we often review matters internally. We decide what we think should be done in a program, relying very heavily on advice from our departments. Then caucus wrestles with the matter. In this case, it was our feeling that we should look at it in three ways: each committee should have the same terms of reference, each committee should work independently of the other two, but that there should be three separate committees work-

ing on it.

Firstly, an MLA committee: I'm very pleased with the work that's being done by that committee, chaired by the hon. Member for Red Deer, with the members for Edmonton Mill Woods, Drayton Valley, and Vegreville. In addition, we've selected a community committee, chaired by the former president of the PSS Association of Alberta, Mr. Fred Burton from Claresholm. That committee has representation from across the province: John Boon from Coaldale, Mr. Charles Gale from St. Albert, Mrs. Sue Higgins from the city of Calgary, and Mr. Dan Vandermeulen from High Prairie. Again, those individuals are working on the matter and meeting on a regular basis.

The third review is being done internally by the department by bringing together people from various divisions of the department. All three committees are using the same terms of reference and, I assume, are looking at the matter from a slightly different point of view.

I see it as an exciting challenge. I look forward to meeting with the various PSS groups from across the province at their annual meeting this fall. When I met with them in November 1979, I shared with them my concern for the future and where we were going, and I outlined what we intended to do. By this fall, when we have a further meeting, I anticipate being in a position to share with them the feelings and the results of those studies, and the intentions of government.

MR. R. CLARK: To the hon. minister. Mr. Minister, the major concern I've had expressed to me by people on the various PSS boards, not only in my own riding — for example I would pay tribute to the PSS board in Olds, in my riding, and to a Mrs. Bridget Galvon, who has given yeoman service to make that what I think is a pretty exciting program — the concern I've had expressed to me by some of the directors and some of the volunteer people outside my constituency, frankly, in some of the cities, is that once this three-pronged review is finished, where does it go from there? I take it from the remarks the minister has just made that it will then become a matter which the minister and the caucus will review, and that the minister will be in a position to outline future direction for PSS in Alberta to the PSS convention or conference this fall. Mr. Chairman, I ask the minister: is that a fair assessment of the proposed game plan?

MR. BOGLE: Yes, Mr. Chairman, it certainly is. The analysis of the three studies will be discussed with government caucus, I assume a committee of caucus first, then full caucus. I would hope to be in a position by the time of the annual convention of the PSS Association of Alberta this fall to share the government's feelings about the program with the delegates at that time.

MR. NOTLEY: Mr. Chairman, just one question. Will the two public reports; that is, the report of the MLAs and the report of people who have been active in the PSS field — will either or both of these reports be made public prior to the convention of PSS officials?

MR. BOGLE: No, Mr. Chairman.

MR. NOTLEY: Is the minister in a position to explain what the reasons would be for not making these reports — I'm not talking about the in-house report, which would not normally be made public, but the two commit-

tees, the MLA committee and the committee headed by Mr. Burton.

MR. BOGLE: To be clear, Mr. Chairman, the MLA committee is not a public committee; it's a government caucus committee. That matter will be dealt with as all other government caucus committee matters are. I feel it would be unfair to put one of the committees in a position where their recommendations are made public and the other two are not. I think the important thing the hon. member should not lose sight of is that I am fully prepared and have committed consistently over the past year plus, that before any actions are undertaken by the government in this area, there will be full consultation with the PSS boards. I anticipate doing that at their annual meeting.

MR. CHAIRMAN: If I could just make an announcement, if you wouldn't mind, hon. Leader of the Opposition. Apparently the group of students from Myrnam in the constituency of Lloydminster, represented by the Hon. Bud Miller, were not in the gallery when they were introduced a little while ago. That's grades 5 and 6. They have their teacher, Julia MacMillan, with them. I wonder if they would stand and receive the welcome of the members of the committee now.

MR. R. CLARK: Thank you, Mr. Chairman. The throne speech stated that some specific steps would be taken to attract qualified dental personnel and facilities to the province. I'd like to ask the minister what stage this program is at presently? Is money included in the estimates? Mr. Minister, I realize I was out of the House yesterday. If it was dealt with ... It was? Okay, very good then.

MR. BOGLE: The hon. Member for Grande Prairie asked that very question, and I responded to it. Yes, over a million dollars.

MR. R. CLARK: That's for expansion of the existing program, Mr. Minister?

MR. BOGLE: That's for a new program, Mr. Chairman.

MR. R. CLARK: That's even better.

MR. BOGLE: I agree.

MR. CHAIRMAN: The department total then ...

MR. BOGLE: Excuse me, Mr. Chairman. I don't wish to prolong it, but the hon. Member for Spirit River-Fairview did make a number of comments regarding day care. He was not in his place when I rose to respond, and I asked the indulgence of the House for direction and indicated I'd be fully prepared and provide a letter. The hon. member today has asked that the response be given so it's written into *Hansard*, so I'll attempt to provide that response now.

First of all, Mr. Chairman, I'd like to say that I think the majority of the questions raised by the hon. member dealt with standards and child/staff ratios in day care centres. I'd like to draw the hon. member's attention to item 5 in the ministerial statement I gave in this Assembly on Tuesday of last week, when I indicated that:

Between August 1, 1980, and August 1, 1982, meetings will be held with representatives [of] day care



operators from across the province to examine ways of improving the child/staff ratios and to discuss the implementation of the day care registry.

Mr. Chairman, it's my intention to put together an advisory committee — and I believe that's in *Hansard*; I've indicated it previously — of possibly five members, with representation from private as well as public day care centres from urban and rural Alberta. That committee would act in an advisory capacity to the minister in terms of these two very important questions and, in addition, might act as the appeal committee on the 21-day absenteeism clause with regard to very special and unique circumstances. The example the hon. member used was a good one: a youngster whose parents are no longer living together may be spending some holiday time with each parent, and the total time accumulated might exceed 21 days. From my point of view, that would be an ideal or a practical case for such an appeal mechanism.

Mr. Chairman, I think it important we not lose sight of the fact that there are no simple answers to many of these matters. One thing I feel very strongly about, as I'm sure opposition members do because they all represent rural constituencies, is that whatever we do, we ensure that we're not placing an extra hardship upon communities which are beyond travelling distance from a community college or another kind of endeavor where an individual may obtain the educational requirements to be a day care operator. Therefore, one thing we're going to look at very closely is the possibility of an apprenticeship program, whereby an individual may apprentice through an existing licensed day care centre and gain that experience and expertise in the field. At this time I can't go beyond that to how it might develop, because it's still just a concept. But surely we want to be flexible enough in that area to ensure that communities, whether they're Rycroft or Milk River, are not penalized because of their distance from an academic centre where the formal training may occur. That's one issue I will like to discuss with operators at that time.

The child/staff ratio is another matter we'll want to address very carefully. By attempting to bring together representatives from the two groups, which are so badly polarized, we may be able to sit down and address the matter of day care, looking at the child, looking at the young people we're trying to serve, and recognizing there will be one province-wide set of standards, not two, three, or more.

An example was raised with regard to a day care centre here in Edmonton, which will in all likelihood have costs well exceeding the maximum \$215, which would be the amount of money in the family subsidy program — the first \$40 provided by the family, the second \$175, for the first child, provided by the government — so that if the costs at that centre were \$300, as indicated by the member, there is a shortfall of some \$85. Mr. Chairman, we should not be confused with remarks I made regarding special assistance which municipalities may apply for. I would expect that communities like the city of Edmonton which will have a surplus of funding from the subsidy program — in the case of the city of Edmonton some \$250,000 — would reinvest that money to ensure that its day care centres maintain a level appropriate with the philosophy of the city of Edmonton, or at least of those who seem to be in charge of day care in the city of Edmonton.

I'm looking more at communities like Fort McMurray, which will be in a deficit position, and where there may be other unique situations. That option of municipalities

to come forward and make their case is certainly there. The city of Edmonton may have some circumstances I'm not aware of, so I'm not closing the door to them. On the other hand, I would not want to leave the impression that the door is wide open for a municipality like Calgary, with more than \$800,000 savings, to come forward and find another way to obtain money from the province, and then redirect the \$800,000 into a road program or park someplace in Calgary.

The study itself: the hon. member asked, why another two years? I think it's important we recognize that it's not necessarily two years. I hope that these discussions with an advisory committee could be commenced, I think I indicated, within six weeks to two months following the transition on August 1. Some matters might be addressed very quickly and finalized; others might take longer. But I would want to ensure that those discussions would be concluded no later than August 1, 1982, so that we would have a clear indication as to the future direction.

Mr. Chairman, the last thing I want to comment regarding the hon. member's remarks — and it may have been a slip of the tongue, it may be a misunderstanding; I'm not sure. But the hon. member made reference to "backing out of the subsidy program". I think he was referring to the province. It's just the contrary. By assuming 100 per cent of the financing for the program, the province is assuming total responsibility. That's certainly not backing away from our obligation and responsibility in an approximately \$15 million day care program.

I think it's important that we recognize that, the key thrust being that day care will be a provincial responsibility, province-wide. Those municipalities which wish to maintain day care centres at a standard higher than the province's, may certainly do so; that's their right. But after 1983 they'll do so at their own expense. They will not be subsidized by the province, because then we'll be totally and firmly in the policy announced by my predecessor two years ago, that provincial dollars would follow the child, not the centre. That's the most important principle we've built our policy on. It's an exciting one, and I think we can achieve many very rewarding benefits by following in that direction.

Mr. Chairman, I want to conclude by saying that the danger — and it seems so simple to some people: why not just raise the standards, increase the staff, and do other such things? Like so many other things, it's a matter of supply and demand. If the parent paying the full fee finds that the cost of sending their children to day care has become prohibitive and they withdraw their children, then the program will suffer and we will follow the example that's happened in Ontario, where day care spaces have not only come to a halt, they've gone backwards; they've lost spaces, they've lost ground in Ontario. Yes, they have higher standards, but many parents cannot afford to send their children to those day care centres and, therefore, arrangements are being made with neighbors and others. From my point of view, the end result is a poorer, not a better, system. So that's part of our overall challenge, Mr. Chairman.

MR. LITTLE: Mr. Chairman, to the minister. I was very pleased yesterday, Mr. Minister, that you indicated there was considerable co-operation between your department and the Salvation Army. It has occurred to me that this organization has been very, very active and has had rather outstanding success in many areas of social problems, including counselling, crisis centres, hostels. Therefore, Mr. Minister, do you see any further liaison and

co-operation between your department and this organization?

MR. BOGLE: Mr. Chairman, without wanting to leave any false expectations of where we might proceed, I would like to indicate, and reinforce what the hon. Member for Calgary McCall has said, that we do have a very good relationship with the Salvation Army. Currently we have a contract with the Salvation Army in Grande Prairie. That organization provides temporary accommodation in a men's hostel for 20 individuals. Our contract with them is on the basis of lodging and three meals a day for those individuals. They follow the basic provincial policy on hostels.

Presently two hostels in the province are operated by the department: the men's hostels in Edmonton and Calgary. We are certainly looking at the possibility of contracting out one or both of those facilities to private groups. If the Salvation Army, as an example, would be interested in such an arrangement — and I believe some very preliminary discussions have been held with them — based on their excellent track record of providing services for people, I would see the men's hostel in Grande Prairie being used as a possible model that we could follow with the men's hostel in Calgary, or possibly here in Edmonton. Other factors come into play, but certainly the quality of leadership that's been provided by that organization is second to none in the field.

Agreed to:

Department Total	\$626,688,907
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MR. CHAIRMAN: We have the supplementary items for Social Services and Community Health.

Agreed to:

5.1.1 — Senior Citizens' Supplementary Benefits	\$20,700,000
5.2.1 — Pensions and Allowances	\$4,676,000
Total Vote 5(a) — Benefits and Income Support	\$25,376,000

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

[Motion carried]

#### Department of Tourism and Small Business

MR. CHAIRMAN: I believe the final vote was held for some reason.

MR. R. CLARK: Mr. Chairman, I want to express my thanks to the minister for agreeing to hold the vote. Unfortunately, due to a previous commitment I had to leave the Assembly early last Friday for a meeting in Calgary at the airport, and I wasn't able to be here. I felt it important to ask the committee to hold the final vote, because I'd like to ask the minister some questions about the relationship between the Alberta Opportunity Company and the department.

Mr. Minister, yesterday in the Assembly I asked if there had been discussions between the Opportunity Company and Time Air, or the Opportunity Company and any group trying to buy Time Air. On that occasion, Mr. Chairman, the minister said, not to his knowledge, or something close to that.

I raised that question, Mr. Chairman, because we went through a similar situation some three years ago. On that occasion I asked the question of the relationship between the Alberta Opportunity Company and the department with regard to Willowglen electronics. I was told not by this minister but by the minister at that time, who is now celebrating Alberta's 75th Anniversary as the Commissioner, that there was really no relationship between the department and the Alberta Opportunity Company when it came to peddling off Willowglen to the Alberta Energy Company. The court records are now available, public information in Calgary, and there was a very direct role played by the department, at least according to the testimony under oath. I want to come back and be sure that's read into the *Hansard* record, and I'll do that later on.

Mr. Chairman, I want to start the discussion, and it shouldn't take horribly long, by asking the minister what the relationship now is between the Opportunity Company and the department. Are the Opportunity Company and the department now involved in any negotiations, if I might use the rather offhand term, to peddle off any of the bad loans of the Opportunity Company? Because contrary to the assurance I was given in the House some time ago — not by this minister, and I make that point again, but by his predecessor — that took place in the Willowglen electronics situation.

MR. ADAIR: Mr. Chairman, through you to the hon. Leader of the Opposition. I believe you used the term "peddling off". I'm going to go back basically to the position with AOC that I, as minister, now have. As I think the hon. Leader of the Opposition is well aware, but I'll make the statement for the members of the committee, as the minister responsible for the Alberta Opportunity Company and the board which handles the final approval of loans and the like, they report through me to this Legislature. They in fact operate at arm's length and carry on the same kind of relationship that they did in 1975, I believe it was, when the question was brought up. Prior to my time; I'm not sure when that particular question was.

MR. R. CLARK: '77.

MR. ADAIR: But that relationship continues. In essence, there is a reporting mechanism whereby I receive a monthly report of the loans they have made and of loans which they are pursuing, or they provide an indication to me when they may be moving in the area of placing a delinquent loan in receivership, or the like. That is basically the relationship we have.

I work with the chairman of the board, Mr. Bob Chapman, and have contact on occasion with the acting director of the Alberta Opportunity Company right now, Mr. Parker. He may call me or I may call him, whatever the case may be. That is basically just seeking to confirm a position that was given to us, or to have them make contact with some person who has contacted us about a question relative to the Alberta Opportunity Company.

As far as the term "negotiating" or "peddling off", I take exception to that particular statement in the sense that that doesn't happen. Maybe just to clarify that particular position and what happens now, be it with the Department of Economic Development or people within my department relating to small business, for example you run into a situation where company X, for whatever reasons it may choose, comes to us and says: look, we're in a position where we're expanding to a point where

we're going to need some additional financing or another partner; do you know of anyone who may be able to assist us? If we do know of anyone, we will provide the names to them and allow them to pick up that particular point and make the contact. That is where the direct contact would take place, not by our representatives on behalf and sort of imposing themselves in that particular position.

To use an example, and I'll go back to the period we were talking about, 1977, a number of companies in Alberta — an agricultural processing company, an insulating manufacturing company, a steel fabricating company, and thermal/mechanical pulp mills — were looking for additional equity partners or the likes of that. If we were aware of them at the time, we would indicate to them: these are people you should contact, and it's up to you to do that if you choose. In some cases they did and in some cases they did not. In the case of, say, the Alberta Energy Company and Willowglen, there was a request by the president of Willowglen at the time ... Now I'm referring to notes provided to me by the deputy minister who was there and is now still with me. When he was talking with the gentleman about the possibility of another partner, he suggested that he might pursue AEC. This gentleman did follow up with them, but not any direct contact by Mr. McDonald. The contact, if any, was contact back from the gentleman from AEC to Mr. McDonald about the company. That was a reverse situation in essence, where they had verbally said: yes, there was a company that was interested; it's up to you to contact them.

That's a service that is still provided to the businesses of the province of Alberta, primarily now through the Department of Economic Development because that particular branch that was with the former department of business development and tourism is now on the economic development side. To my knowledge, we are not engaged in any peddling off negotiations of any terms right now with any particular company that may be involved with or through the Alberta Opportunity Company.

MR. R. CLARK: Mr. Chairman, to the minister. Mr. Minister, I would earnestly request, sir ... I know the minister's reading is not small at all, but I think it would be excellent reading if the minister were to get at least a portion of the transcript of the court record of action No. D51683 in the district court of Alberta, judicial district of Calgary, between Donald E. Wright, plaintiff, and the Alberta Energy Company. In the course of the testimony given in the discovery, Mr. Chairman, it becomes obvious that two things of real concern happened. I raise it because I think it's important that there be a clear understanding of what, according to the transcript, took place, and I would hope this kind of thing would not happen again.

First of all, Mr. Minister, when we raised the matter in the Assembly at that time, we were assured by the minister of that time that the department had not been involved in this attempt to work out an arrangement between the Opportunity Company and the Alberta Energy Company. But in the transcript, when Mr. Ken King, the senior vice-president of the Alberta Energy Company, testified at the examination for discovery, he said that the AEC and Willowglen initially met in late '76 at the suggestion of the Alberta department of business development and tourism.

Going on from there, Mr. Chairman, might I point out that what happened was that a Mr. Jack Relf from the

department had spent a considerable period of time in California with Dr. Wright, the plaintiff in this case, prior to the Alberta Opportunity Company making this initial loan. After the objection of a sizable body of people in the electronics industry in Alberta, the loan was made by the Opportunity Company. Then the loan went bad — if I can put it that way. Then we find Mr. Relf turning up again, the person who had been wine and dined down in California, who I might say had refused to meet with people from my office. Initially, going through the Deputy Minister's office, we were told we could meet Mr. Relf. My research people went over to meet Mr. Relf, and all of a sudden they couldn't meet with him; they met with Mr. McDonald. In the report I got back from Mr. McDonald — through my researchers, I didn't meet with Mr. McDonald myself — we were told that the department had nothing to do in making the arrangements between the Alberta Energy Company and Willowglen to bail out the Alberta Opportunity Company and pick up Willowglen.

Certainly the transcript doesn't bear that out at all. On a matter of principle, I think it's important, Mr. Minister, that that matter be clearly followed up by the minister and the Alberta Opportunity Company. I don't plan to get involved in making any accusations here today, but we had the department, with Dr. Wright, develop the idea. Mr. Relf was down in California an extended period of time, came back, and the department was then very instrumental in getting the Opportunity Company to approve Dr. Wright's loan. Then we had the situation of the company falling on hard times, the Opportunity Company having a bad loan, and then the very person who had helped get the loan through the Opportunity Company happened to be the person who ended up encouraging the Alberta Energy Company to pick up this very bad deal.

One other very intriguing situation, Mr. Chairman, to the minister, was that Mr. Ken King, the senior vice-president of the Alberta Energy Company, under testimony at the discovery, did not reveal to the directors of the Alberta Energy Company what he had been informed of as a result of a private investigator who had looked at, if I could use the term, the "track record" of Dr. Wright, the president of Willowglen. Under questioning at the discovery, "David Mitchell, president of AEC, was asked several questions about his knowledge of reports prepared as Dr. Wright's past management record". This information was contained in a report that was done for the Energy Company but never got to the board of directors. It wasn't done by anyone who was a Jasper Avenue private investigator. It was done by an individual formerly with the RCMP in the province of Alberta; in fact, rather high up in K Division. I think the person was well respected. But the point is that this report, which did not speak favorably at all of Dr. Wright, never got to the board of directors of the Alberta Energy Company. The board of directors, without that information, then went ahead and invested in the company some, it seems to me, \$600,000 or \$700,000. Now the thing has gone down the tube, and the operation is being wound down.

Mr. Chairman, to the minister. Mr. Minister, I want to raise the matter for three points. One, I think it's important that people in the minister's office go through the transcript of the discovery to look at the connections from the minister's office to be sure this kind of thing doesn't happen again. Two, I think it's important that when we have officials in the various government departments encouraging the Opportunity Company to get

involved in a loan — Mr. Relf supported the loan very enthusiastically — the same people aren't involved in this rescue mission — I used the term "bailing out" — later on.

Thirdly, I would hope the Alberta Energy Company has learned a painful lesson here; that is, it should be extremely careful of getting involved in ventures such as trying to provide a rescue unit for loans made by the government that don't look good. Anyone who sat down and looked at the thing very clearly at the outset had to recognize the Willowglen thing was a bad investment when the AEC got involved in it. In fact Mr. Mitchell, in the discovery once again, pointed out that the financial statements dated June 30, '77, prepared under Wright's direction overstated net revenue by approximately \$500,000 on total sales revenue of approximately \$2.1 million. That was an overstatement of half a million dollars on two million. I don't support everything the Alberta Energy Company does, but I do recognize they have some very able people if the able people get all the information.

Mr. Minister, I recognize that the present minister can't be held accountable for the feeling I have of being misled in the past by the minister's predecessor. But I would hope this minister would put the necessary safeguards in place, so we don't see this kind of thing happening again.

MR. ADAIR: Mr. Chairman, there are just a couple of things I should maybe point out, inasmuch as most of our discussion is going back to the period of 1977. That's the past, rather than the present, which our estimates relate to. But I think it's fair comment to make the case and to respond to it.

Mr. Chairman, the hon. Leader of the Opposition mentioned something about the loan going bad. The information I have — and I'm only going by information provided to me — was that a \$1 million loan was approved in July, 1975. Some \$809,600 of that \$1 million loan was actually drawn. I think it's important to note that the payments on the loan were all on time and made promptly. So the inference that the loan went bad — I have some disagreement with that particular statement.

Then the statement relative to developing the idea: I assume, again from the information I have of the past, that when the application came to the Alberta Opportunity Company, they began to investigate it, as they do with any loan; in other words, to look at exactly what the company is, who they are, what the product is, what's the marketability, and the likes of that. That was done by the Alberta Opportunity Company in conjunction with an outside consultant. I believe that was P.S. Ross and sons at the time. So there was that work that went into it prior to the actual approval of the loan. That's what the hon. Leader of Opposition mentioned relative to, I believe the name was Mr. Relf. Certainly, I'll be quite prepared to take a look at the transcripts of that, and to look at that particular segment and those responses made.

But I think it's important to restate the fact that the Alberta Opportunity Company and the board of directors, private sector businessmen in the province of Alberta who work with the professional people in the Alberta Opportunity Company — and I'm talking now about the Alberta Opportunity Company, not the Alberta Energy Company, because that's not my responsibility nor to respond to whether they had all the information when they made the decision to pick up that particular company. But from the point of view of the Alberta Opportunity Company, the professional staff of the Alberta

Opportunity Company will review applications and make a recommendation to the board. The board meets every two weeks. They in turn, if they seek more information, will have that application go back with the requirement for more information.

Now two things have happened, and it relates to a question brought up by the hon. member from Fort Saskatchewan earlier in the estimates. The procedure time has improved to some degree. I'm satisfied it has improved to some degree, partly with the reorganization of the department, because what happens now in a good number of cases is that a possible applicant or an applicant who may be considering going to the Alberta Opportunity Company may, in fact, contact the small business section of the department which, in turn, will assist in putting the application together for that particular applicant. Now if that's called developing the idea together, yes, I think that could be considered in that particular context. They would assist him in making the application, which should shorten the time period for that application to go through the mill. Basically, most of the questions that the people in the small business section feel will be asked will be related to that individual, and assisted to get those answers before the application goes in. So that should shorten the process. On occasion, the Alberta Opportunity Company will come back to us and ask for some additional information as to that particular market or industry.

Those features are now in place to a greater degree than they were with the larger department that was there before. I'm satisfied that, working again at arm's length as a group of professional people handling the applications and then making the recommendations to the board of directors who meet, as I said, every two weeks, that they have in fact made the decisions based on that information. That is continuing and will continue. If we can do anything to shorten that up a little more in the process — recognizing, of course, that we're dealing almost in the same sense as the banks are in making loans to individuals. We want as much information as possible, and they want as much information as possible before they make the final decisions relative to accepting the loan or turning it down.

Agreed to:	
Department Total	\$15,208,770

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

[Motion carried]

#### Department of Municipal Affairs

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

MR. MOORE: Thank you very much, Mr. Chairman. First of all I want to say that it's been an interesting year and an interesting challenge to move from the office of Minister of Agriculture to Municipal Affairs. I've been assisted pretty capably in that regard by my office staff, my secretary Mrs. Gammon, and my executive assistant Mr. Stecyk. I want to say as well that while it's been an interesting and exciting year, it hasn't been without a tremendous amount of assistance from the deputy minister and the staff of the department. For them it's been one of providing information and assistance, as well as

education to me on the various matters one has to learn about in Municipal Affairs: planning, assessment, and taxation. I want to thank the entire staff for their patience, understanding, educating, and assistance.

There are a number of changes that we have announced or are in the process of making within the department structure. Members will be aware that a short time ago I announced a reorganization with respect to improvement districts and that area of the department involved in assisting municipal governments across the province. We are changing the structure there so that an assistant deputy minister will have responsibilities for improvement districts across the province. In my belief, that was an area that needed some increased responsibility attached to it, partly because of the complexity of local government in IDs today compared to what it was some years ago. We're involved in literally dozens of municipal types of decisions that didn't used to exist. We're involved in water and sewer projects and planning matters very extensively nowadays, compared to what was the case previously.

So I would hope that when we get that reorganization completed, we will be able to provide even better service than we have in the past to the improvement districts across the province. With the splitting off of that particular area from the assistant deputy minister's responsibilities there, we will lean more heavily on the ADM in the other division, to be knowledgeable about and be assisting in urban problems, particularly with respect to our two large metropolitan areas. So the reasons for that division and reorganization are evident both in the complexities of ID administration and in the problems associated with large metropolitan government in our towns and cities in the province.

Mr. Chairman, there are not too many major changes in the budget, but I would like to mention a few. There is, of course, a fairly dramatic increase with respect to the amount of funds provided for interest subsidies to municipalities. I want to indicate to members that the decision to move to shield the interest rate to 9 per cent as opposed to the previous 8 per cent is not really reflected in this budget, because we don't begin paying shielding until 12 months after the debenture is first taken out. So the increase shown here is to shield debentures taken out before March of this year, down to the 8 per cent level from the existing Municipal Financing Corporation borrowing rate. Of course, the increase of some \$10 million is reflected by the fact that over the course of the last several months, interest rates have climbed rather dramatically.

In addition to that, some major changes with respect to grants under the Alberta property tax reduction program are reflected in the supplementary estimates that we wanted to deal with at the conclusion of the regular ones; an additional \$9.6 million there to provide for the announcement made last week increasing from \$500 to \$1,000 a year the senior citizens' renter assistance grant for those who live in non-subsidized government accommodation.

There are some reductions in the votes. One that is noticeable is really the phase-out of the mobile equipment licensing branch that occurred effective March 31. In that regard I want to say that we had close to 30 employees in the mobile equipment licensing branch, all of whom had, by the end March, located themselves in other positions, either in the private sector or in government — most of them within government; some in our own department; some moving to other departments. I really appreciated

the work that was done by the director of that branch and the people in it in terms of shutting it down, if you like, and the assistance provided by other government departments and the central personnel office in making sure that everyone found a suitable job. I believe it's fair to say that in most cases the personnel in that division found jobs at better pay scales than what they had there. So almost all of them got some advancement.

The final matter I want to comment on that's reflected in the budget is a reduction in the budget of the northeast commissioner. That's largely a result of not proceeding at the moment with any additional studies with respect to the location of a new townsite to serve the projected Alsands project. Members are aware that there was some uncertainty with respect to that particular project at the time. Last year's budget reflected a considerable amount of funds to do planning studies and other studies connected with the location and development of a new town. Those are complete, and we're really in a holding pattern at the moment with respect to the development of the new town, except for some in-house planning matters that don't cost any money. If and when an energy package agreement is reached, we will then have to consider the implications with respect to this year's budget. At this point in time, that factor is unknown. However, there are sufficient funds in the northeast commissioner's budget to allow for the operation as it now exists, and will for the next two or three months, I suppose.

Mr. Chairman, those are just some highlights of the budget. A good deal of other matters may be raised when we go through the votes. There may be other matters of a general nature that members would like some response to. I'd be pleased to try to answer any questions.

[Mr. Purdy in the Chair]

MR. R. CLARK: Thank you, Mr. Chairman. Perhaps I might ask the minister to respond to five broad, general areas, prior to getting into the votes. Mr. Minister, would it be possible to report to the Assembly on the role the Department of Municipal Affairs is going to play in this relooking at the foundation program as far as education is concerned? Just in the last few days I looked at figures, and we're now to a situation where approximately — it varies — but in the vicinity of 20 to 24 per cent of the cost of education is once again coming from property tax. From what the Minister of Education said in the Assembly and what's included in the Speech from the Throne, I know he is involved in a review there. But it seems to me that whatever is done there has to be done in tandem with Municipal Affairs. Mr. Minister, I'd be interested in knowing the kind of relationship that has been formalized for the course of that study.

Secondly, last year the Assembly approved legislation, which we on this side of the House thought was an excellent idea, to substantively reduce municipal debts across the province. Mr. Minister, one concern that's come to my attention has been that, rightly or wrongly, we have, if I might use the term, a number of miniature heritage savings trust funds now developing across the province. One of the municipalities not far from Calgary has something like \$8 million in — I was going to say the kitty — in the fund. Mr. Minister, I fully recognize that how to handle the money is the decision of the local government; nevertheless, has the department done some sort of assessment analysis of how much of that money has gone into the day to day operation of municipalities as opposed to — and this is in municipalities where they

were in a fortunate position financially — how much is being set aside in municipalities, using the interest each year?

Thirdly, Mr. Chairman, to the minister. What was the rationale behind increasing the municipal shielding program rate from 8 per cent to 9 per cent? It seems to me it's a bit of robbing Peter to pay Paul, only the reverse in this situation, where municipalities are asked to pick up one more per cent as far as shielding is concerned. No one's going to argue that the concept of shielding isn't good, but the concept would have been far better at 8 per cent than it is now at 9 per cent, especially when one considers the rather fortunate financial position the province is in.

Fourthly, Mr. Minister, some time ago there was discussion, when both of us spoke out at the municipal convention on the question of plebiscites. Last fall we had plebiscites in the cities of Edmonton and Calgary; in Edmonton, on the convention centre, and in Calgary, on a civic centre. At that time, Mr. Minister, if no firm commitments were made by the government, there was certainly indication that the government was going to look at the concept of plebiscite and consider making some changes. At that time, I got the very definite impression that it was looking at changes to make it more difficult for a plebiscite to be forced. I'd be interested in knowing the state of the art there.

Fifthly, Mr. Chairman, to the minister. Mr. Minister, not long ago a constituent of, not mine, but a neighboring constituency, met with me and, later, with a number of other people. This individual is building a new house, and had gone to considerable extent to build a house that was, I would use the term, very energy conscious. But as a result of the type of construction used, that individual found out that on two counts his assessment was going up a considerable amount. When he looked at the total assessment and applied it to the mill rate in that area last year, they'd be paying \$200 more assessment on their house as a result of building a house that was, from the standpoint of energy conservation, the kind of thing that we should be encouraging.

As I understand the construction, the walls were very wide, and it was a wood basement; excellent construction throughout. Because of regulations in the assessment manual, the width of walls, and so on, rather than the person's being rewarded financially, I might say, for building a house that was going to conserve energy for us, his assessment was increased. The assessor said, I'm very sorry; I know it shouldn't be that way, but there's nothing I can do because these rules are laid down by the department. Then, because the quality of construction was high, there was another addition there.

My question, Mr. Minister, is: would it be appropriate to look at amendments to The Municipal Taxation Act that's before the House right now? I'd be quite prepared to bring forward an amendment, or if the department is . . . Or, Mr. Minister, would it be a question of changing the regulations? I think we should be taking every step we possibly can to encourage people to build in the manner that that individual did. Our present situation [militates] against that.

MR. NOTLEY: Mr. Chairman, the only comments I want to make on this particular set of estimates are with respect to the final one; that is, the co-ordination of northeast Alberta programs. I wonder if the minister would perhaps be a little more specific. He indicated that there was a completion of studies concerning a new town

north of Fort McMurray. There's no question that we are in a bit of a hiatus. It's not possible to go ahead with further planning until such time as we know where things stand on the Alsands question. On the other hand, it does seem to me that we have to be in a position to move quite quickly should an agreement be reached with the federal government. I would hope that we're in a position, through the commissioner's office, to do that.

The minister will recall the debate that raged in this House for about two weeks in 1974 over the powers granted the commissioner at that time. Mr. Minister and Mr. Chairman, is the minister in a position — if he doesn't have the information, perhaps he can get it — to give us an indication of the times in the last four or five years that the minister has had to use the rather extraordinary powers that Bill 55 at the time granted the commissioner? I would refer specifically to powers where there could be amendments to certain statutes of the Legislature with the consent of the cabinet. And was it necessary to use the power that we gave to the commissioner in 1974 as it applies to local government, again with the consent of the cabinet?

If we don't have that information, perhaps the minister can get it to me by memo. If we have the information, I would be interested in the extent of the use. Mr. Chairman and Mr. Minister, I raise it very specifically because, if it hasn't been used, then I really wonder in retrospect whether it was wise giving that kind of unusual power, and whether we might make modifications to the Act.

The other part of the question, Mr. Chairman, is with respect to the Cold Lake-Bonnyville area. Could the minister indicate whether, in his judgment at this stage, planning is sufficiently advanced that there will be no major difficulties should Imperial Esso go ahead with its project, or whether we're going to have to have some kind of variation of the commissioner of northeastern Alberta in the Cold Lake-Grand Centre area?

MR. WEISS: Thank you, Mr. Chairman. I have a few short, brief remarks to the minister pertaining to the department. I'd be remiss not to compliment the minister for the co-operation we've received over the past year, especially for his assistance with the ID tax transfer in the new town of Fort McMurray, up to 10 mills to assist that community. We've certainly welcomed the ongoing water programs in the new hamlet of Wandering River. We're pleased to see it under way now.

But I do have some concerns, Mr. Chairman, through you to the minister, which I hope he would address, in particular the water and sewer problems we're having in the Fort Chipewyan area. We hope that problem could be addressed in a short period. I mentioned it in my reply to the throne speech. It becomes a very political and contentious issue, and a very expensive one as well.

I would like the minister to elaborate a little on the new town status, as the Member for Spirit River-Fairview pointed out. We would like to have a little more clarification on the status, as well as the city status for the new town of Fort McMurray. As you know, we had hoped to realize that aim by September this year. The community out there is wondering what holding pattern we're in at this point.

I too am concerned with the reduction of the funding by some \$450,000 to the commissioner for the office of the northeast region. I'm not concerned so much with the reduction of the funding, but would the minister be able to assure us that the other communities surrounding that area will not suffer as a result of the lack of funding? Will

the minister assure me that the commissioner's office will continue to function and provide that service, which has been most beneficial to the communities? While perhaps some of the enforcement rules have not been enacted, it was certainly nice to know the commissioner was there to be able to have that force in power should it have been needed. I think it's very, very important that the office, or a similar office, be retained to supply the function and co-ordinate for the communities. Without such a department as it has been able to provide the service in the past, we wouldn't see the progress that has been made to this date.

Thank you.

MR. MOORE: Mr. Chairman, if I might reply in order to the questions that were posed, first from the Leader of the Opposition. His first comments were with regard to the school foundation program and, I guess, the broad area of education financing, which includes the supplementary requisitions. I have to say that the Minister of Education and I have established within our two departments a working committee that's doing some work for us on options we might have with respect to education financing. We will be meeting extensively with the Alberta Urban Municipalities Association and the Association of MDs and Counties. We presently have a meeting scheduled for the latter part of May with the municipal associations with respect to the supplementary requisition issue — and I say issue, because it appears that there are some school boards that are in fact taking supplementary requisitions to the extent they're allowed to under The School Act and still have money left over in the bank after having done so. Quite clearly it was not this or any government's intention to allow that process actually to result in a school authority having funds in excess of what they need in a particular year. So we will be exploring what we might do in that regard.

Probably in June — we haven't finalized a date yet — we'll be meeting with the Urban Municipalities Association on a broad range of questions involving municipal finance that also touch very specifically on the Provincial-Municipal Finance Council report and the recommendations contained therein. I mention that, Mr. Chairman, because they involve the school foundation program as well. Members will recall a recommendation in that report that the school foundation program be turned into a municipal equalization fund, if you like, so that municipalities might share industrial and commercial tax revenue — what was formerly 26 mills is this year down to 21.5 — and that that portion of education which is presently funded by the school foundation levy be funded rather from the general revenue of the province.

Quite frankly, I'm inclined to favor a good look at that concept, but it's not one we can implement without having a response from both municipal associations about the Provincial-Municipal Finance Council report. My understanding is that they're working their way through that and will shortly have a response to that report, which was, as members know, tabled a year ago in this House. It seems like a while but, after all, the municipalities have a lot of members and they have to take some time to work that out too.

In short, we're doing a lot of work with respect to education financing. But I would have to say that no changes will occur that will be reflected in this budget. It's really a matter of looking forward to 1981. We have not that much time, but a few months in order to complete the work we're doing.

In terms of municipal debt reduction, I don't believe our department has a review of every municipality in terms of what they've done with their funds. We would obviously be aware in a good number of them, particularly the larger cities. The Local Authorities Board, which is not a part of the department but is under my jurisdiction, would be aware of the financial status in terms of municipal debt reduction funds that may be in the bank of any municipality that may have appeared before it or made an application for loans.

I would have to say that I know for a fact there are a good number of municipalities out there that have little heritage funds that are borrowing what was 8, and is now 9 per cent money to carry out their projects. I guess all I can say about that is: if the system allows it, it's not a very good manager who wouldn't take advantage of it. What they're doing is investing their surplus funds from the municipal debt reduction program at an interest rate far better than 9 per cent in terms of return and borrowing.

That leads me to the rationale behind the increase from 8 to 9 per cent. Very frankly, it concerns me when you have such a wide spread between the going interest rate and what some entity might be able to borrow at in terms of the kinds of decisions they make. I already see things that were previously done by developers in the private sector, or something, being shifted to municipalities. A lot of people are trying to find a way where the municipality can pay for this, as opposed to someone else, because the someone else is paying 16 per cent and the municipality is paying only 9.

I don't have any hesitation at all in saying that our government's commitment to shielding interest rates for municipalities is a good one. But I do get concerned about the extent of borrowing. I get concerned as well about things like what municipalities undertake in terms of capital construction programs. Surely interest rates in this country are where they are because somebody, I'm not sure who, is trying to dampen inflation and create some other economic conditions that will get this country into a better economic position than it is today. It probably isn't helped if a lot of money is going out at 9 per cent for projects that may not be entirely necessary. For example — and I won't comment on whether it's a good decision — would the decision of the Edmonton city council to build a new city hall have been the same if they were obligated to pay the full borrowing rate of the Municipal Financing Corporation as it would be at 9 per cent? The answer to that question is very obvious: they all have a pencil, and it makes a great deal of difference.

As well, I think it's fair to say that a lot of subsidy programs relate to a subsidy below whatever the going rate is, rather than a pegged level. I don't intend to go that way with respect to this subsidy, but I think more than anything, the increase from 8 to 9 per cent was a signal to the municipalities that it costs more for money these days, and that they can't expect to borrow for all projects forever at 8 per cent if, over a period of years, we're going to have a traditionally higher interest rate.

Finally, with regard to plebiscites, I haven't yet made any determination of what changes we might make in The Municipal Government Act. But I can say I've had input from a lot of sources: those who write to me and say, your idea of limiting the ability for plebiscites is a good one, and those who write and say it's the worst thing they ever heard of. I have the resolutions from the Urban Municipalities Association and from a number of major city councils, and some comments from my caucus col-

leagues. My intention is to bring in amendments to The Municipal Government Act this fall. Obviously, by that time a decision will have to be made as to what, if anything, we do.

Quite frankly, at the moment I lean toward the idea that under one section of the Act, we should place a limit on the length of time that a group of people might raise a petition. Obviously we have to have some limit, because the situation now means that a council can pass a by-law to build a building and, three years after they get it built, somebody can raise a petition to say they can't build it. That just can't work. I'm looking at something in the order of a 60- or 90-day limitation after a by-law receives final approval in which citizens have the right to raise a petition.

The only other question there is whether or not the figure of 3 per cent of the population for municipalities over 10,000 is high enough. Is that an appropriate number? Should it be 5, or should it be 7?

On those items, Mr. Chairman, I'd be pleased to receive comments of all members of the House. It's not a question at all of a firm government position; it's a question of trying to amend the legislation to do what's right to allow local governments to operate for the three years they're elected to office without undue interference. That doesn't mean there isn't a legitimate place for the plebiscite; I think there is. But one has to be a little careful about actually governing by plebiscite. I don't think that's the way to go in municipal government in Alberta. I think we downgrade the responsibility of the electors to think carefully about who is running for mayor, councillor, reeve, or whatever. That's really the place they should be putting their judgment to test.

On energy saving I want to make a personal observation, I guess you'd call it, about this question of solar heating and all the things now being talked about across Canada and perhaps other parts of the world in terms of saving energy. My information is that in studies in Ontario it costs about \$10,000 more to build a modern, conventional home with a solar heating unit, some extra walls, and all these things. I guess the cost would be about the same in Alberta. I'd like to have someone do a study for me with respect to the energy used in the production of that \$10,000 of additional material. You've got glass, fibreglass, wood, and a great number of materials that take energy to produce and that are energy in themselves.

Quite frankly, in a province that has a surplus of natural gas, I wonder whether it's a wise investment, either for the individual or for the province as a whole, to be moving into adding \$10,000 to the cost of every home — that may be less or more. I certainly realize some additional insulation can be put in, and that's probably good value. But when you figure the individual's own interest rate on those additional funds, when you consider the energy cost of producing the extra material to go into that house in a northern climate, where in almost every case you obviously have to have a supplementary heating unit at any rate — you can't build a solar house in northern Alberta and expect not to have a natural gas furnace or some kind of supplementary heat. So that's a question that in my mind is well worth thinking about. How much are we saving by going into some rather expensive energy-saving devices, in a province that has a surplus of natural gas? I grant you, that would be and obviously is different in many other parts of the world.

Having said that, however, I would say to the hon. Leader of the Opposition that as a result of the pressure

that's been coming with respect to the assessment on houses that are built in an energy-saving way — thicker walls and so on — I've asked the assistant deputy minister in charge of assessment and taxation to review how we might change the assessment regulations. Mr. Chairman, I don't believe it could even be done in the Act, because it's in regulations, and we can do it quite quickly in regulations. Having said that, I want to see if we can move toward providing some reduction with respect to certain areas of assessment. I would be in a position — not this year obviously, because assessments are already done, but probably this fall — to advise members of our assessment of that and what we can do to assist. But I want the first point to be thought about too, because I'm not entirely sure that we're on the right economic trend in Alberta by building thicker walls and solar heating units. If the Minister of Energy and Natural Resources were here, I think he would elaborate on my comments.

If I could go to the comments of the Member for Spirit River-Fairview about the northeast commissioner and that Act, the powers contained in the northeast commissioner's Act have never been used to this point in time. In my mind, however, that doesn't mean it was not necessary for them to be there. There's a great deal to be said for the fact that in some instances co-operation may have been achieved simply because the powers were there and did not need to be used. Frankly I'm delighted, as I know my predecessor who put the Act through the Legislature would be delighted, that their use was never required. It was our hope when the Act was passed, I know, that the actual powers would not have to be used. So that speaks well for the communities in that area.

With respect to the work of the northeast commissioner, the difference between the budget last year and this year is largely the costs of planning studies that were carried out, mostly for the new townsite. We did studies in three or four different locations and finally came to the conclusion that a new town, if built, should be located at a site northwest of McClelland Lake along the river, and that took a lot of work. Additional planning work has been done since then with respect to how we build a town on the site itself. The site can eventually accommodate a town or city of up to 50,000 or 60,000 people, although the initial development of the Alsands plant would only require accommodations for somewhere in the order of 12,000 to 15,000.

So a lot of work has been done on it. In terms of readiness, we're almost at the stage to move in a construction camp, if the time arrives. It's my view that the northeast commissioner, who has been handling all this work, has done a good job on it to this stage. Obviously we are getting in a critical time path with respect to the development of the town, just as Alsands is with respect to the development of the plant. That critical time path is such that we would have to make some decisions with regard to the building of the town probably within the next three months that would be financial decisions of some considerable cost. So we are faced with either a delay beyond this year or an expenditure of some considerable amount of money without any agreement to see the plant go ahead.

In Cold Lake-Bonnyville, under the circumstances I think we're doing as good as we can in that area. We went ahead with plans for water and sewer, recognizing that oversizing and so on is there for the employees who might be involved in the Esso plant. If that plant doesn't go ahead, we're probably locked into some extra costs for water and sewer that we wouldn't otherwise be. Transport-



tation of course is doing a lot of work in the area, none of which I think will be lost, but they could wind up with fewer people travelling on better roads than people in other parts of the province are. I'm not sure that's all bad.

MR. NOTLEY: That's why we want a dam in the north; it's the roads.

MR. MOORE: The planning in the area is going well. The regional plan is now out there being discussed by the public. The draft regional plan was released to the public, and our expectation would be to finalize the regional plan probably this fall or late this year. There are a number of other planning matters not related to Municipal Affairs that I know are going ahead at the planning stage.

Finally, a few comments with regard to the comments of the hon. Member for Lac La Biche-McMurray. On city status for Fort McMurray, council of the new town of Fort McMurray did request that in our anniversary year they be afforded the opportunity to become a city. There are some unique circumstances with respect to Fort McMurray in terms of financing and so on that perhaps don't relate to other areas. I believe we've cleared all the hurdles perhaps with the exception of one, and that has to do with transportation. Under the grants provided to cities from the Department of Transportation, there are different formulas than for towns. The Minister of Transportation is now working on an agreement, which I've seen in draft form, that I think will satisfy the town of Fort McMurray in terms of their being sure that they're not burdened with additional costs in becoming a city over and above what they are as a town. I'm confident those matters can be worked out, and I look forward to recommending to our cabinet that Fort McMurray become a city on September 1, 1980.

The final matter was with regard to Fort Chip. As the Member for Lac La Biche-McMurray knows, we have been involved in doing some additional work there with regard to water and sewer. Detailed engineering studies are under way relative to the total costs and design involved in putting water into Fort Chip. It's a very difficult and expensive project because of the terrain, the sub-soil conditions there, mostly rock, and because the community is spread out over quite an area in terms of the number of people there. So it's a very, very costly operation.

However, recognizing the fact that those people are going to be living there for generations to come and that there needs to be some opportunity for them to receive benefits by way of oil sands development and so on that is occurring in that region, my view is that we should try to find a way to move in 1981 with a complete water and sewer program for the entire community. As members know, some water and sewer lines are there now, not serving all the community and not entirely satisfactory because of frost problems and so on. So I hope later this year to have a more definitive answer for the people of Fort Chip as to whether we're actually going to go ahead.

Mr. Chairman, I think that answers the major questions.

MR. R. CLARK: Thank you, Mr. Chairman. Mr. Minister, I'd like to raise three items. Before I raise the first of those, might I say that I was more enthusiastic about the second portion of the minister's remarks with regard to possible changes in the assessment manual as far as energy-efficient housing is concerned than I was about the first part. Mr. Minister, regardless of where one sits in

the House, or if one sits in the House at all, I think we have to remember that while we're very fortunate in this province with excess amounts of natural gas, even we in Alberta have some responsibility as far as energy conservation is concerned. I hope, Mr. Minister, through the Chair, that with the nagging doubts you were so frank to tell the House about — and I appreciate that frankness — we would get that study the minister referred to under way to see if there's a net benefit or a net loss.

Might I say though, Mr. Minister, that last time I checked, the present government still subscribed to the view that what kind of house to build was really an individual's own decision. Whether the minister agrees with the point of view I put forward or that the minister put forward, that decision to determine the wisdom of the investment is best left to individual citizens.

Mr. Minister, I'd like to raise three other items. First of all, what is the status of the relationship between the Department of Municipal Affairs, primarily the minister's office, and the association of mayors of the cities in the province? If memory serves me correctly, not long ago the mayors of the cities in the province met and asked for either the Minister of Municipal Affairs or the Premier to be present on that occasion to discuss with them a variety of issues the mayors felt to be important. It was my understanding at that time that neither the Premier nor the Minister of Municipal Affairs was able to attend. It seems to me, Mr. Minister, through the Chair, that this is an important group and a group that should not be attempted to be side-stepped. Now I know the point can be made, and is made by some — shall I call them supporters of the government? — that the place for this organization to deal is through the urban municipal association. That argument is valid to a point, but I'm sure every member in the Assembly would concede that the problems of the cities in the province compared to the problems of the urban municipalities, urban towns and villages, are considerably different.

Mr. Minister, I would urge that the liaison, the co-operation, the role of this association of city mayors in the province be considerably upgraded within the Department of Municipal Affairs and that it be looked at as one of the major organizations giving advice to the province in that area.

Secondly, Mr. Minister, through the Chairman, as I get across the province, I have a great deal of representation made to me by municipalities of the possibility of there being some form of assistance to help municipalities, especially smaller urban municipalities, with the problems of fire equipment, firehalls, and the provision of fire equipment, trucks especially. I've had representation from a sizable number of communities that, yes, there is assistance as far as roads are concerned, and thank you. There is assistance as far as waterworks are concerned, and it's certainly appreciated. And there is some assistance as far as police services are concerned. But another area that is a basic service that any municipality has to grapple with is this question of the provision of fire equipment. It would seem to me, Mr. Minister, that here's an area where there's a real need for the province to rethink its position, a position which to date is, I understand, to give no assistance in that area, other than to say you can take it out of the municipal grants which come along. So my reason for raising that issue, Mr. Minister, is to ascertain if at this time the government is considering in any way, shape, or form the proposition of some assistance to municipalities for fire equipment.

The third and last point I want to make, Mr. Minister,

deals with the question of municipal finance. While I welcome the minister's comments about sitting down with the municipalities and looking at the municipal finance study the province released a year ago, I come back to a rather basic point my colleagues and I hold; that is, on the long range, on the long overview, a pretty clearly established principle of revenue sharing between the municipalities and the provincial government would stand this province in extremely good stead. I'm not so foolish, to put it that way, to expect the minister to get up and agree with that particular point of view today. But, Mr. Minister, in the long run, when we look back a number of years from now, perhaps one of the major shortcomings in relations between the province and its municipalities will centre on this question of an adequate and long-term form of revenue sharing between the province and its municipalities.

MR. COOK: Thank you, Mr. Chairman. I'd like to address my remarks to three policy areas: energy savings, land use and planning and, finally, development of an urban policy for Alberta. First, I'd like to comment briefly on the minister's remarks that in Alberta, with the natural gas surplus we have today, perhaps we might be able to afford to be a little less conservation oriented. I'd like to take a firm position and disagree with that.

Mr. Minister, the province of Saskatchewan, for example, has shown that it is possible to design energy efficient homes for the same dollars that a normal conventional bungalow would cost. I think HUDAC is doing important work today with the Department of Energy in designing standards for Alberta contractors to do that, to build right into the construction of new homes. Surely in Alberta, with the rapid growth we're experiencing, we should be building energy saving devices into present homes. Insulation is one, but that's only part of a package. Energy saving devices should include much more efficient heaters, furnaces, weather stripping and weatherproofing around windows and doors. Air to air heat exchangers are a cheap and very effective device to bring in cool, fresh air . . .

MR. DEPUTY CHAIRMAN: I hesitate to interrupt the hon. Member for Edmonton Glengarry, but the member is on a subject that should be discussed under Housing and Public Works, not under Municipal Affairs. It's unfortunate that we got into the discussion through the assessment base, but I would ask the hon. member to go on to the other topics.

MR. COOK: Mr. Chairman, there are two ways the Department of Municipal Affairs impacts on this. The first is in the planning regulations that are set out; the second is in assessment. I think we should build incentives into both the planning and the assessment to make sure we have energy efficient housing stock.

The second point I'd like to comment on, Mr. Chairman, is land use and planning. I think we have to look down the road 10 to 20 years from now and see that we're going to have a province of not two million but three or four million. The scary scenario I'd like to present to the Assembly is that most of those people will site themselves in the Calgary-Edmonton corridor which happens to correspond to the best farmland in the province, Mr. Chairman.

I think we should be building into our planning process alternatives to try to encourage people to live outside that corridor and on poorer agricultural land. There are ways

to do it. Mr. Chairman, I think the Minister of Municipal Affairs should be working with the Minister of Transportation, for example, to ensure that we do not add any extra lanes on Highway No. 2. Rather, we should be twinning our highways running parallel to No. 2 going from, say, Camrose to east of Calgary, and on the west, from Cochrane to Drayton Valley, and try to influence the direction of future growth in a planned and orderly way. In part it's the minister's responsibility to work with the Minister of Transportation to ensure that our base industry, agriculture, is protected from urban encroachment.

That's something that is not happening, and I'm aware there are developments around the city of Edmonton that the province is encouraging. Mill Woods was one; there are others in the offing that are going to be sited on No. 1 soils. It's ridiculous. The Minister of Municipal Affairs should be encouraging his colleagues and Executive Council to steer growth away from Nos. 1, 2, and 3 soils and onto the poorer soils.

The final point I would like to make, Mr. Chairman, is on urban policy. Our cities are growing not for their own good, but for the good of the province and the country. As we grow as an energy producing province, Calgary and Edmonton are both experiencing burgeoning growth. So are Grande Prairie, Red Deer, Lethbridge, Medicine Hat — the list goes on. But with growth comes not only problems and opportunities but a growing degree of sophistication. I think we have to recognize that, for example, in transportation grants often the city of Edmonton knows much better what the real needs of the community are than the people in Municipal Affairs or the Department of Transportation.

I think we should be getting out of the area of grants and into an independent source of taxation. We should be recognizing that for the reasons we objected to the federal government imposing financial priorities on the province in the '60s and '70s with their spending power, the argument works in the same way against the grants policy of the government. We should be providing tax revenues, areas of taxation, to the municipalities. Examples are the gasoline tax within the city of Edmonton. That would be quite an appropriate tax to raise money for roads. I think we should be looking at transferring areas of personal income tax to the cities to provide social services. We should be freeing up the municipal government regulations on property taxes so they can deliver property services — fire, water, and sewer, for example — on that tax basis.

Cities are also developing different characteristics, Mr. Chairman. They have different problems. I don't think we should be wedded to the concept of treating Edmonton and Calgary in an equal way, because they aren't necessarily equal in their needs. For example, the city of Edmonton might have greater needs in servicing industrial land, and Calgary might have greater needs in servicing a burgeoning downtown core. The cities are different. They have different priorities, and by providing municipal taxation resources to them they could tailor their own taxation policies to their own peculiar needs. I think the cities are becoming more and more sophisticated, and they're having greater and greater needs for independence. We as a government should be looking to developing an urban policy that recognizes that sophistication and diversification of the province.

Those are my three points, Mr. Chairman.

MR. MANDEVILLE: Thank you, Mr. Chairman. This will be the first opportunity our municipalities have had to send out tax notices since the billion dollar debt reduction program was put into the municipalities. My question to the Minister of Municipal Affairs: has he any figures or does he do any monitoring to see if the tax notices are coming out with large increases, or the status quo? In some cases, we realize there are some municipalities that have gotten heritage trust funds. Is there any indication of taxes being lowered as a result of the billion dollars put into the tax reduction program?

Another area that concerns me is the proposal that we increase our farmland possibly from \$45 and \$55 to a maximum of \$260. I think the minister is going to have to take a really close look at this. We're looking at putting a \$28,000 deduction on our dwellings, which I think is good. It's an area we've been wrestling with for many, many years as far as farm homes are concerned. However, if we're going to increase the assessment base for land and the assessment base for the residence, I think it's going to hit fairly hard as far as agriculture is concerned. I've looked at some tax notices that have come out this year and have seen an increase of 25 per cent up as high as 37 per cent. I would just like to know if the minister has been doing any monitoring in this area of tax notices from municipalities.

MR. MOORE: Mr. Chairman, a couple of comments. First of all, I think I should clarify my remarks on energy conservation. I'm not against energy conservation. But think about the situation where it takes energy to build a house or some building in a way which will save a certain amount of energy, and the extra energy you put in the building is greater than what you're saving. You know, it's like a farmer going out and buying a four-wheel drive tractor because it has a better fuel consumption to horsepower ratio, and then he continues to pull his old five-bottom plough. That happens all over the country where the hon. Member for Spirit River-Fairview and I come from. That's not energy conservation.

So when we're thinking about energy conservation, I think we have to consider very carefully the extra energy inputs that go into that house. I think there's a balance there. We obviously need to do a lot of things to conserve energy, but let's make sure that while we're doing it we don't in fact use more energy trying to save energy than we actually save.

Mr. Chairman, with respect to fire equipment, we do not have any study under way or any consideration of special grants from Municipal Affairs for fire-fighting equipment. I would say, however, that we do have a number of joint agreements in the improvement districts. We'll be buying something in excess of 20 fire trucks this year from municipal debt reduction funds that are almost all going into villages or towns, with joint agreements where we buy the firetruck, the village or the town looks after it and provides a fire-fighting force, and looks after fires in the improvement district surrounding the urban municipality, the town or the village.

In addition, I am aware that a good number of rural municipalities, counties and municipal districts, are taking that approach as well. That's been encouraged by me and is, I think, a very useful approach to reducing the costs of fire-fighting for towns and villages, also providing a fire-fighting service in our rural areas. However, there have been a number of requests for consideration of a special program to assist with fire-fighting equipment.

But I'm torn with this problem that I get every time I

go to the annual meeting of the Association of MDs and Counties and the Urban Municipalities Association. The first 24 resolutions are for increases in government programs with respect to specific areas like streets, water, sewer, or fire-fighting. The last one says: no more conditional grants; we want all unconditional grants. It's the nature of their membership, I guess.

That leads me into the comments made by the Member for Edmonton Glengarry. He identified a problem of municipal financing. Secondly, he came up with a solution. Then finally he told us why it wouldn't work. It's simply this way: I guess you can transfer revenues on the basis of a gasoline tax or something to municipal governments but, the member's latter comments were, that the needs are different and we shouldn't have to treat them the same. But most of the programs you can think about with regard to sharing of specific revenues don't relate to needs. The needs of the city of Calgary in terms of their ability to clean up their effluent going into the Bow River are different from the needs of the city of Edmonton. So you may have a special program that assists that city with a special problem. The same occurs in rural municipalities and elsewhere.

Frankly, when it gets right down to it, that's why I think most municipalities, particularly rural ones, prefer to have special programs for special problems. On the other hand they'll say, yes, more unconditional grants. But there's no way they want unconditional grants to replace the grants provided by the Minister of Transportation for roads, because that's one of their major expenditures. They like to see that fund grow. They don't mind it being specifically identified for roads because they can use it all.

Finally, on the matter of revenue sharing: first of all, the term isn't very good. We share a lot of revenue with municipal governments, but we're really talking about the sharing of a specific revenue on a formula basis, a percentage of something. I can say that we have ruled out completely any formula basis sharing of natural resource revenues or income tax. There are very good reasons for that. Those revenues can't be depended upon by municipal governments over the longer term. They're going to go up; they're going to go down. And we know that natural resource revenues are going to decline in the years to come. It inhibits the ability of this government to make decisions with regard to the level of natural resource revenues or the level of income tax if we're tied to giving a percentage of that to municipalities and know that they might be drastically affected in their budgeting. That doesn't mean we're not willing to consider the sharing of other revenues, aside from those two, that might be appropriate. Indeed, those are going to be some of the discussions I'll be carrying on, with the Urban Municipalities Association in particular, over the course of the next few months.

Finally, on the matter of land use; I think there's recognition of appropriate land use in this province today that didn't even begin to exist half a dozen years ago. We put in The Planning Act, 1977, the provisions that every municipality would be required by March of this year to have a land-use plan. I extended that four months, because they were doing a good job but weren't able to meet the deadline until September. I've observed a good number of those land-use plans. There is no doubt that municipal governments and planning departments and individuals across the province have zeroed in hard on protecting good agricultural land. So much so, as a matter of fact, that we're beginning to get a lot of

complaints from people saying, I own the land, I should be able to do what I want. I think there's a balance there. In addition to that, our provincial policies really have been directed to try to move toward poorer soil.

But I'd have to make one additional comment. I believe that people in this province, with the amount of land we have, albeit some of it is agricultural producing land, still have an opportunity for a choice of life styles. In other circumstances, it would be easy to say that everybody has to live in apartments or condominiums stacked one on top of the other. But the single-family home is a way of life in this province and I, for one, am not ready to discard that idea and say everybody should be jammed into some larger centres, living one on top of the other. It's obvious that the single-family home concept for urban development does indeed take a lot more land. But there are a number of things we can do to move onto poorer land. There are also the concepts developed by the Minister of Environment in years past of actually removing the topsoil and improving other land in certain areas. That has been carried out by industrial development and urban development as well.

[Mr. Appleby in the Chair]

The Member for Bow Valley had a couple of comments with respect to tax increases across the province. In my observations, and they're only observations because there aren't that many municipalities who have really finalized their . . . Some have, but of course the school requisitions and so on are just now coming in. My observations are that the tax increases are generally from zero to 10 per cent for the municipal portion. Many of them are holding the line at last year's level. Some have up to a 10 per cent increase. There may be some exceptions. But there are some increases higher than that with respect to the supplementary requisition that school boards are levying in certain areas. Those, indeed, concern me.

Finally, Mr. Chairman, the hon. Member for Bow Valley made some comments about the assessment of farmland. I will take them as notice and information. Rather than comment extensively on that now, we have committee study coming yet on Bill No. 13, which is the whole tax area. I'd just recognize the member's comments, but prefer to make more extensive comments then.

MR. R. CLARK: I wonder if I could ask the minister to comment on the question of city mayors and the role the minister sees that group playing.

MR. CHAIRMAN: The hon. Member for Calgary North Hill wants to speak. Perhaps you could answer them both at once.

MR. OMAN: Mr. Chairman, I would be interested in having the minister make some comments about whether it's government policy to guide or control somewhat the urban growth in the province. A number of years ago, I think, the government came out with some policy, or at least some direction, which seemed to indicate to the cities of Edmonton and Calgary that it would try to limit them; if not limit them, certainly encourage growth in other urban areas. But that was interpreted by some cities as limiting, particularly the land freeze area, the RDA, around Calgary and so on. I wonder if there is any consideration of maybe lifting or jumping that at this point.

The other thing I would like to comment on was with

regard to the comments of the Member for Edmonton Glengarry about land use. If I understand correctly, there are some implications here about the growth of smaller areas. For instance, is it not so that infrastructure costs and the actual land used on a per capita basis are much higher in a smaller city or town than in a larger city? In other words, if we're looking at it purely from a land-use proposition, would it not be true, Mr. Chairman, that on a per capita basis, we are using more land in the growth of our small towns than in the cities themselves, and whether the infrastructure costs are such? I'd appreciate the minister commenting on that philosophy.

MR. MOORE: Mr. Chairman, I'm sorry I neglected to comment on the question of the Leader of the Opposition with respect to our meeting with city mayors. Really, I meet with mayors of the two major metropolitan areas, or any other city in Alberta, sort of on call and, quite frequently, individually, with their problems or concerns, and by telephone as well. So there's no problem with respect to access to me, or the ministers of Environment or Transportation, on an individual basis. On special concerns that relate generally to cities only — a good example would be the city transportation grant developed two or three years ago, where we met with the 13 mayors of the major Alberta cities and outlined to them the program we had in mind, and so on. There are some other examples too; such as downtown redevelopment, which is generally a problem with respect to smaller cities, and things like rail line, rail yard relocation.

But the particular instance the Leader of the Opposition refers to was a request that we meet with the city mayors, as their informal group is described, to consider education financing, equalized assessment, and supplementary requisitions. They added to that the subject of treatment of water and sewage; the delivery of water, I guess. Those are matters the Alberta Urban Municipalities Association had under consideration at exactly the same time, and wanted to meet with me and other members of cabinet as well. And at the end of this month, we are meeting with the Urban Municipalities Association on those matters.

So I simply said to the spokesman for the mayors that it was my view that there wasn't a great deal to be gained by meeting with the mayors, who are members of the Urban Municipalities Association and have a number of people on the executive, to discuss an issue that really concerned all of Alberta. I want to meet with the Urban Municipalities Association and the Association of MDs and Counties and have some very thorough discussions on those items. But I didn't feel it would be right to carry on those discussions at an extra level when it was a problem that obviously concerned other municipalities too.

On the other hand, Mr. Chairman, if there is a particular problem with respect to the cities that doesn't identify itself well with the rest of the province, certainly we'd be pleased to meet with those mayors, and will do so. So it was a matter of the subject, rather than any difficulty with respect to meeting with the mayors.

I'd be less than honest if I didn't say that I don't believe it's in the best interest of either the mayors of the cities or the towns and other MDs in this province to form another municipalities group. We have two, the rural one and the urban one, and I think they're adequately served. Frankly, I think it in their best interest to try to stay on a united front, if you like. There's only one in some other provinces; British Columbia, for example, only has one

association of municipalities that deals with the government. Having come from Agriculture, where oftentimes it was hard to find out who the spokesman was, I rather think it's a valuable way to be, in terms of having two major groups of people who are well organized, who both have office staff, and are able to provide pretty good service to their members.

On the remarks with respect to the city of Calgary and the RDA, perhaps the Minister of Environment would be in a better position to answer. But really, there's no intention at the present time to make any major alterations in the RDA there. Obviously, because of its size, it will be under consideration from time to time. It wasn't the intention to suggest there'd be absolutely no growth in that 5-mile strip when the RDA was first placed on it in a permanent way.

The other comments with respect to housing and the amount of land it takes up, I would guess that we're really in a situation where smaller cities and larger towns would be just as efficient as major cities, if not more so, in terms of residential development per acre if it were not for the fact that the cities obviously contain a great deal more stacked housing. There's no question that when you get into apartment construction and so on you can make better use of land. If we were to do that in the smaller cities and towns, I suppose the land use would be very close to the same.

I think we're now in a position where, because of public reserve and society's desire for more open space in urban parks and so on, which I think is good, we're using a little more land per single-family residence today than we have in the past. We're also in a position where the number of people accommodated is less because families are smaller. We have more people owning houses who are single parents perhaps, or have only one or two children or none, as opposed to larger families. So for the last several years, the number of people accommodated per acre in single-family subdivisions has gone down every year. It is probably close to reaching its bottom point, if you like, because it doesn't appear that there's any dramatic reduction occurring there at the moment.

Mr. Chairman, I think that answers most of the questions that were directed my way. If not, members should feel free to speak again.

MR. ZAOZIRNY: Mr. Chairman, in this opening round of questions and responses, I'd appreciate if the minister could elaborate on the question of the municipal debenture interest rebate program. There was considerable discussion earlier in the year, a concern on the part of municipalities about whether they could rely, if you will, upon the province's continuing to provide that level of assistance. They felt it was imperative that they have some assurance that the support would be there, as they make plans to try to cope with the growth being experienced throughout the province, particularly in the municipalities of Calgary and Edmonton, where their problems may in fact be more severe because of the population situations.

The minister, of course, is well aware that that 8 per cent rate was adjusted to 9 per cent some time ago. It appears that we're now in the happy situation, if you will, of a general decrease in interest rates across the board. They're moving slowly, but at least in the right direction at this juncture. None the less, could the minister provide the Assembly with some indication as to the policy of the government. Is the government prepared to set a differential rate, if you will, as between, say, the prime rate and

the rate of subsidy? Or is the government prepared to set a specific rate that won't change without a pretty severe set of circumstances and perhaps some kind of notice and opportunity for the municipalities to respond before changing it, or whatever? I think there still exists a certain degree of uncertainty as to what criteria the government is using in determining that rate. His comments would be appreciated.

MR. MOORE: Mr. Chairman, I presume the member may have been out of the House earlier when I made some fairly extensive comments about the government's philosophy of policy behind the 8 per cent to 9. I'll just add very briefly to those remarks, and he may wish to read the others in *Hansard*. It's not our intention to make any adjustments in the 9 per cent shielding, so-called, this fiscal year. Obviously, as I said last fall, it's a matter that's reviewed every year and will be reviewed again at the end of this fiscal year. I haven't got a crystal ball, but when we're next reviewing it I hope that interest rates in this country are much more favorable than they are today. That, of course, will assist us and the municipalities in financing their ongoing capital and operating costs.

MR. ZAOZIRNY: Mr. Chairman, I do regret that I wasn't in the House earlier and appreciate the minister expanding on that point for this member's benefit. Is the minister then saying that the rate is basically going to be determined on an annual basis? Is that the policy direction in which we've moved?

MR. MOORE: Mr. Chairman, yes. That's the policy. That isn't suggesting it will change on an annual basis, but it's a matter that we consider at budgeting time each year. Our considerations last year led us to an increase of 1 per cent in the face of pretty dramatically increasing interest rates at that time. The only commitment I can make is that it would be there for the balance of this fiscal year. Whether it's increased, or lowered for that matter, next fiscal year is something we'll have to wait and see.

MR. R. CLARK: Mr. Chairman, to the minister on that factor. From the comments that have been made today by the minister, the prime factor which determined the government to increase the rate by 1 per cent was the high interest rates across the country. I draw the conclusion from that, Mr. Chairman, with a very gentle decline in interest rates now, that if interest rates continue to move in that direction, at the very worst we could look at maintenance of 9 per cent for next year, and if interest rates come down somewhat, we could be looking at perhaps moving back to 8 per cent. Is that a fair assessment of the government's position?

MR. MOORE: Mr. Chairman, it's not a very good conclusion. As I recall, when I made the recommendation to cabinet with respect to the level that would occur for this year, interest rates were substantially below what they presently are. In other words, Mr. Chairman, because of the budgeting process our decision was not based on the high level that was finally attained in interest rates. I can't recall exactly what the level was. As a matter of fact, when we announced the increase from 8 per cent to 9 per cent, I think the Municipal Financing Corporation lending rate was 12 per cent. I'm not sure what it is today, but I know it went to 14. As a result of the way it's adjusted, it could go even higher than 14, because it's on

past month's interest rates federally.

So it's not a good assumption to suggest that if interest rates come down, the 9 will go back down to 8. It's a matter of how much. Obviously if they go down drastically, we may be able to assist more. But I wouldn't like to speculate on any formula of that nature being the one that will guide our decision.

MR. R. CLARK: So, Mr. Chairman, there's no direct relationship between ... I assume the announcement was made last December? March? In March the interest rates would have been, let's say, 12 per cent, which would have been close to a 3 per cent differential between what the government decided and what the rates were. Is there some kind of rule of thumb like that that the government is using? The reason I pursue the issue is that I think it's helpful to municipalities to recognize whether there's some kind of rather crude rule of thumb the government is using or whether there's something a bit more definitive. Or, in fact, is it something that the government is looking at on a yearly basis with really no direct term of reference?

MR. MOORE: Mr. Chairman, there is no rule of thumb. If there were, the obvious policy would have been to say, okay, we'll subsidize the interest rate to 2 percentage points below the Municipal Financing Corporation rate. For a good number of years in this program, the subsidy was about 1 per cent. A year ago now, it was 2 per cent. When we made the announcement, it was 3 per cent. Today it's at least 5, if not more. I think it would be less certain for municipalities if we tied the subsidy to something below whatever the rate is, because they don't have any crystal ball either about what the rate's going to do. There is no rule of thumb or policy that guides this. It's a discretion that we use in taking into consideration a host of things. I can only say that we'll be guided by the knowledge that municipal funding is an important aspect of my department's work and our government's concern. Hopefully that will assist them.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of Supply has had under consideration 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 purposes described:

For the Department of Social Services and Community Health: \$42,478,440 for departmental support services; \$187,633,460 for social allowance; \$52,083,650 for child welfare services; \$6,954,490 for specialized social services; \$98,032,000 for benefits and income support; \$11,557,710 for vocational rehabilitation services; \$57,426,460 for services for the handicapped; \$55,322,790 for treatment of mental illness; \$23,962,120 for general health services; \$78,440,260 for community social and health services; \$12,797,527 for alcoholism and drug abuse treatment and education; also supplementary estimates of expenditure for the year 1980-81: \$25,376,000 for benefits and income support.

For the Department of Tourism and Small Business: \$690,070 for departmental support services; \$9,568,700 for development of tourism and small business; \$4,950,000 for financial assistance to Alberta business via the Alberta Opportunity Company.

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

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

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, in order to accommodate a function for members of the Assembly with the Research Council, I would request unanimous leave of the House to meet this evening at 9 p.m. rather than the 8 p.m. regular meeting time.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, I would move that when it meets at 9 p.m. this evening, the Assembly will be in Committee of Supply, and that the Assembly stand adjourned until the Committee of Supply rises and reports.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

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

[The Committee of Supply met at 9 p.m.]

head: **Committee of Supply**

[Mr. Appleby in the Chair]

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

#### **Department of Municipal Affairs** (continued)

Agreed to:

1.01 — Minister's Office	\$123,206
1.02 — Personnel Group	\$255,394
1.03 — Administrative Support	\$2,871,322
1.04 — Provincial Municipal Finance Council	—
1.05 — Special Projects	\$329,364
1.06 — Assessment Equalization Board	\$311,962
Total Vote 1 — Departmental Support Services	\$3,891,248
2.1 — Unconditional Assistance Grants to Municipalities	\$72,397,545
2.2 — Municipal Debenture Interest Rebate Program	\$18,800,000
2.3 — Transitional Financial Assistance	\$200,000
Total Vote 2 — Financial Support for Municipal Programs	\$91,397,545

3.1 — Program Support	\$355,691
3.2 — Senior Citizen Renters Assistance	\$15,600,000
3.3 — Property Owner Tax Rebate	\$21,152,000
Total Vote 3 — Alberta Property Tax Reduction Plan — Rebates to Individuals	\$37,107,691
4.1 — Grants to Regional Planning Commissions	\$6,235,332
4.2 — Co-ordination and Administration of Community Planning	\$2,789,492
Total Vote 4 — Support to Community Planning Services	\$9,024,824
5.1 — Program Support	\$766,584
5.2 — Administrative Assistance to Organized Municipalities	\$683,477
5.3 — Administration of Improvement Districts	\$2,455,315
5.4 — Administration of Special Areas	\$1,763,232
5.5 — Assessment Services	\$7,512,632
Total Vote 5 — Administrative and Technical Support to Municipalities	\$13,181,240
Total Vote 6 — Regulatory Boards	\$836,417
Total Vote 7 — Co-ordination of Northeast Alberta Programs	\$300,000
Department Total	\$155,738,965

MR. CHAIRMAN: There are some supplementary estimates to Vote 3: the Alberta property tax reduction plan rebates to individuals.

#### **Supplementary Estimates of Expenditure (A), 1980-81**

Agreed to:

3.1.1 — Grants Administration Branch	\$23,000
3.2.1 — Rebates to Senior Citizens	\$9,600,000
Total Vote 3(a) — Alberta Property Tax Reduction Plan — Rebates to Individuals	\$9,623,000

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

[Motion carried]

#### **Department of Hospitals and Medical Care**

MR. CHAIRMAN: The hon. minister.

MR. RUSSELL: Thank you, Mr. Chairman. I would like to make a couple of opening comments, just to emphasize some of the highlights of the department's estimates this year, and to explain why we're seeking the Legislature's agreement to votes of this magnitude. Mr. Chairman, I think this is the first time that a department of the government of Alberta has brought forward a \$1 billion budget for approval of the members, and I think it reflects the growth and the economic good health of Alberta. I recall that 10 years ago the then Provincial Treasurer, Mr. Aalborg, brought forth a budget of \$1 billion and made a point of emphasizing that that was a landmark in

Alberta's development. A short decade later, here we are with one department bringing forward a similar amount.

I think it's also a time for serious reflection, though, when we look at the magnitude of those dollars and the rapid growth in that department's requirements for dollars. I won't go through the graphs that were contained in the budget speech presented by the hon. Treasurer, but certainly they show a rate of growth that has to be alarming. It's not unique to Alberta, but it certainly is there. I think it gives us food for serious thought with respect to the system we're building and the requirements we're laying out for those who follow us.

I'm naturally very excited and proud of the capital requirements and commitments that are contained in this year's budget as well. They represent a lot of work by hospital boards throughout the province, and a lot of co-ordinated planning by department officials. We've got the beginnings of a building program that's unique in Canada insofar as health care facilities are concerned. I'm excited about the fact that we're going to be able to do this, commencing this year.

An important part of the budget also, Mr. Chairman, is the fact that we're converting our capital projects to a pay-as-you-go system, and in doing that have written off, as you know, by a special appropriation of the budget this year, and a special Act of the Legislature, all past accumulated debentures for health care facilities insofar as capital projects are concerned. What I'm outlining to you, Mr. Chairman, is, I think, a level of spending and co-ordinated programs, a commitment to investment in capital projects that is both exciting and very large in scope. I'm pleased that I'm coming here and recommending this to members of the Legislature, with a department that asks for no increase in manpower this year. I'm pleased we've been able to do that, because another problem that I think haunts all departments is how to expand programs without expanding the civil service. We believe we can do it in this department this year, so there's no increase in manpower.

I don't know what the future of health care programs is going to be in Canada. We've followed with a great deal of interest the submissions that various health care groups and other governments have made to the Hall commission on the review of medicare '79. Alberta has made its submission as well, and laid its thoughts before Chief Justice Mr. Emmett Hall. We're waiting with a great deal of interest to see what kinds of directions he will choose to recommend to the federal government, thence to the provinces for discussion.

Certainly I think we're at a major crossroad in 1980 for the development of future health care programs and their methods of financing for Canadians. With respect to that, I think I'd be remiss if I didn't mention what all members are aware of; that is, the magnitude of the settlements or agreements which we hope have been reached with both the doctors and the nursing association with respect to payment for their services. We know that without them as willing contributors to the health care system, we wouldn't have a system. It's important that we do, but the signals are there that the price of paying for those services is going to be difficult for governments to cope with in coming years.

With respect to that, I must admit, too, to having some concern about the sabre rattling the federal government is doing with respect to the established programs financing Act. We're very pleased with that financial arrangement. In fact, our previous provincial treasurer worked very hard contributing to the development of that piece of

legislation. There's some talk now about going back to a straight cost-sharing formula, which we think inhibits the latitude and freedom of the provinces to make the kinds of decisions they want with respect to their health care delivery programs. So I have to lay out our concern about directions Mme. Begin took during her former term as health minister and since her re-election to that post.

Just to conclude my remarks, I want to highlight a couple of things in the estimates that might not be noticed unless I bring special attention to them. The first thing is the provision of a special vote of \$6 million — which I hope will be the first for several years to come — to buy rather expensive equipment of a high technological nature, in addition to the other equipment vote already contained and substantially enlarged in the estimates this year. In this era of modern science and technology, and heavy capital investment, I think it's important that we do keep pace with our hospitals' demands and needs for modern equipment, so that special \$6 million vote appears there for the first time this year.

We're also increasing, from \$50 to \$150 a day coverage, out-of-province benefits to be paid by the government on behalf of Albertans seeking hospitalization in areas outside Alberta — that is, in other provinces.

Because it deals with two high-growth areas in Alberta, the last thing I'd like to mention is the provision of \$0.75 million for two metropolitan bed-need studies to be carried out for the metropolitan areas of Calgary and Edmonton. As those studies are developed under the management of the area planning councils in both those regions, I hope we'll be able to lay out a long-term blueprint for the development of beds in the metropolitan regions and the roles those very particular kinds of beds would play.

Those are my opening remarks. Thank you, Mr. Chairman.

MR. CHAIRMAN: I wonder if we could just hold the estimates and the committee would agree that the Minister of Government Services make an introduction of visitors.

head: **INTRODUCTION OF SPECIAL GUESTS**  
(*reversion*)

MR. McCRAE: Mr. Chairman, it's a very distinct pleasure for me this evening to introduce a group of young Albertan visitors. They are in each of the galleries, Mr. Chairman, in your gallery and in the members and public galleries. They are 28 in number and are of the Forum for Young Albertans, an organization sponsored by business, a number of prominent business people from across Alberta as well as members from both sides of the Assembly. They are interested in studying government at at least two levels, municipal and provincial, and I think probably federal as well, although I am not sure they have had the opportunity of visiting the federal House.

A number of us had the opportunity of having dinner with them tonight and found it a very engaging experience. We found that they were pretty sharp politicians and had a pretty good understanding of what government was about. We took great pains to stress the importance of our work in estimates tonight and how dedicated we were. I also told them some of us would be in shirt sleeves and it might appear rather casual. Mr. Chairman, I'm very impressed that we are not being too casual tonight

and are, I hope, creating a pretty good impression.

They're from all constituencies, or at least many constituencies throughout Alberta. I would ask that they all stand and be recognized in the usual fashion.

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

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

MR. R. CLARK: Mr. Chairman, in rising to make a few initial comments with regard to the Hospitals and Medical Care estimates, might I say somewhat facetiously to the Forum of Young Albertans: good luck in the course of your endeavors during your stay in Edmonton. I understand from my colleague from Brooks that the group is in good hands.

Mr. Chairman, in dealing with the estimates of the Department of Hospitals and Medical Care, there are four areas that I would like to dwell upon for a few moments this evening. First of all, Mr. Chairman, it seems to me incumbent upon the Minister of Hospitals and Medical Care, along with the minister's colleague the Minister of Labour, at a very early date to attempt to build some bridges of understanding between the government of Alberta and the nursing profession in this province. I don't want to regurgitate a debate we've had earlier in the House, but simply allow me to say this, Mr. Chairman. What we have had in Alberta now are two nurses' strikes in the course of the last three years. On both occasions the government felt compelled to use the Labour Act to attempt to put the nurses in Alberta back to work. Whether one agrees with that or not, hopefully that's behind us now.

Mr. Minister, if the construction program this government announced during this spring session, which received enthusiastic support from both sides of the House, is to be realized, not on the building side of things but from the standpoint of running those new facilities once they're in place in Alberta, then we can't afford two, three, or four years down the road to go through what we've just been through as far as the nursing profession in Alberta is concerned. I would say to both hon. gentlemen, especially the Minister of Hospitals and Medical Care, that I recognize that with the settlement that has been agreed upon between the nurses and the government, there is going to be considerable pressure on other elements of the health service professions to seek sizable increases, and it's not going to be an easy period of time for coming to agreements.

This leads into the second point I want to make. If the construction program the minister outlined earlier during this session is to be realized, we have to start now to train the professional people at our colleges and universities, so we have those people in place when the construction is finished.

The second point I want to make, Mr. Chairman, is simply this: several times in the course of the last two to three years we've had discussions in the Assembly about the progress or lack of progress as far as the Grande Prairie hospital is concerned. I don't want to get involved in the Grande Prairie hospital issue tonight, other than to say that I would hope that not one of the hospitals announced by the minister earlier this session is going to be still waiting for construction to start five years later.



I'm not interested, at least not at this time in the evening, in going more deeply into the Grande Prairie situation. Suffice it to say, Mr. Minister, that in the course of responding to remarks this evening, I would appreciate it very much if we could have some indication of the progress which has already been made since those announcements of new construction, and a very direct statement to the House if problems in that area have emerged already. I, for one, would see it as a very major step back if this very sizable construction program doesn't move ahead as indicated.

Mr. Chairman, the third point I want to raise really deals with the question of hospital boards themselves. I assume several members were at the last Alberta Hospital Association annual convention, where the association looked at the question of trusteeship as far as hospital boards are concerned. We've just been through the nurses' strike. Earlier in my remarks this evening, I mentioned the settlement between the government and the nurses. I was sure that some hon. member would correct me and say it was between the hospital boards and the nurses, but in essence with all the money coming from the province. We have to look at the role and the kinds of expectations we have of hospital board members.

At the same time we're looking at that role of hospital board members, because they're dealing with budgets which are 100 per cent financed by the province, I think we've got to look pretty frankly at the present hospital financing situation. Recognizing that 100 per cent of the financing comes from the province, it's not realistic to expect the Department of Hospitals and Medical Care not to have a very major role in saying how that money is going to be spent. I don't want to cloud anyone's thinking into saying that I am suggesting we should get rid of hospital boards. But I'm hearing from a large number of hospital trustees across the province that the job of trusteeship, as far as hospitals is concerned, is becoming less and less a rewarding experience, because really fewer and fewer decisions that affect a hospital operation are basically left to hospital boards themselves. So the third point I want to raise would be this question of the status of hospitals boards as we find them across the province.

The fourth point I want to make in passing, and ask the minister to comment on, Mr. Chairman, is this question of a children's hospital in Edmonton. Mr. Minister, we had a special debate in the Assembly on that. I await with interest the comments of the minister as far as progress toward a children's hospital in Edmonton.

The fifth point I'd like to raise, Mr. Chairman, deals with the question of the lack of an integrated ambulance service across the province. It was some three or four years ago that my colleague from Fort Saskatchewan, the Member for Clover Bar, moved a motion in the House, which was approved by the Assembly, that the province look at a province-wide ambulance service. The progress since that time has been amazingly slow. In fact, virtually nothing has happened. The minister's predecessor, Mr. Minielly, indicated it was being studied. It seems to me the time for studying is finished. We should get on with the job of moving toward the development of an integrated ambulance service across the province.

Mr. Chairman, those are the five areas I wanted to touch upon. I'll await with interest the reaction of the minister.

MR. PENGELLY: Mr. Chairman, on behalf of the residents of the Elnora district, I'd like to commend the

minister for the capital construction program of new hospitals, especially the one in Elnora. It not only provides needed health service, but it also means that 30 to 40 families will be able to remain there, and one classroom in the school won't have to be closed. It would also mean the local pharmacy will have to remain there. The village will continue to enjoy the business support of those who work at the hospital.

They are very pleased with the promised hospital, but they have one concern. They've always had a maternity ward there, and apparently there may not be one in the new one. They have provided that service for part of the Trochu area as well. So I would ask the minister to give consideration to that in the new hospital.

MR. NOTLEY: Mr. Chairman, the minister indicated that we are looking at a \$1 billion department budget. I must say that most of my remarks this evening will relate to a \$3 million portion of that \$1 billion budget, namely the relocation of the Berwyn hospital. But before I get into that — and I want to take a few moments to discuss it in some detail — I'd like to deal with four other issues.

First of all, the question of the Hall commission which is now looking at the entire future of health care in this country. It strikes me that one of the good moves made by the previous minister, Mr. Crombie, was the appointment of Mr. Justice Hall to undertake this major review of health care in Canada. The Hall commission report of 1964 really became the basis for our present system of medicare in Canada and, as I see it, recognized health as more than a privilege which can be purchased, but as a basic right in a modern society. That being the case, while I know that no government would want to undertake precipitous action until Mr. Justice Hall makes his recommendations available, nevertheless the fact that we have, if you like, built our system of health care in this country to a very large extent on the 1964 report of that distinguished jurist leads me to the conclusion that in looking at the right to health, there are a number of associated issues.

A year ago, when the minister began his discussion of the estimates, he flew a couple of trial balloons. One was a user fee in Alberta hospitals. If my memory serves me correctly, I believe the figure of \$10 a day was suggested. I think fortunately for the good citizenry of Alberta, the minister appears to have backed off that, because in my judgment a user fee in the hospitals would act as a deterrent for those income people who may not qualify for a subsidy, the working poor in our society who find that that kind of payment would be a hardship.

The other element — and I notice the hon. Member for Edmonton Kingsway isn't here — but it seems to me that we have to deal very soon with the question of balance billing. Mr. Chairman, to the members of the committee, in my view there is no doubt that the medical profession can make a good case that settlements between 1975 and 1979 did not keep pace with the cost of living and the costs of operating medical practices. No doubt the 15 per cent settlement agreed to last year will go some distance. But I would like to see a commitment to a more refined method of negotiation, and along with that a commitment that we don't have the practice of balance billing or second billing.

Mr. Chairman, I don't think balance billing is really consistent with the right to health. I suppose the only caveat I would make on that statement is if Mr. Justice Hall — after crossing the country and listening to people from the entire field — comes to the conclusion that we

have to take a second look at it. Then I would at least be prepared to entertain that, because I respect very much that gentleman's point of view on this issue. I think there is no question that he is probably one of the most learned people in Canada today, on the question of health care.

Mr. Chairman, the second issue I would like to deal with is the question of nursing homes in the province of Alberta. As I indicated some time ago in question period, the Canadian Union of Public Employees has undertaken a workers' inquiry into various nursing homes in the province of Alberta. I've seen the survey form and have had an opportunity to discuss the preliminary findings with some of the people who have conducted the survey. I should point out, Mr. Chairman, that to my knowledge they haven't reached their final series of recommendations, but they intend to do that and submit them to the government of Alberta.

Of some concern, not only to me but I would hope to all members of the Assembly, were the conclusions reached by many of the people working in nursing homes that the standards in some of them were really not adequate. I think that's the best way of putting it: frankly not adequate. Now I don't know whether those conclusions are accurate. Other than periodic visits to nursing homes, I have not had an opportunity to study those assertions in any detail. But when we look at the question of providing treatment for the sick and the aged, it seems to me that we have to be very insistent that the standards are not only adequate but indeed first class. I would appreciate a response from the minister on what directions this government is proposing to take in the nursing home field.

We know that several years ago, when the Ombudsman suggested he would like the opportunity of being able to investigate nursing homes, the decision was made to go the route of the Health Facilities Review Committee. Mr. Chairman, I still think the Ombudsman should be able to investigate complaints from nursing homes.

What I would be interested in finding out from the minister is the long-term policy with respect to nursing home development in the future? Is it going to continue to be a balance of both private and public nursing homes, or are we going to be shifting greater emphasis to public nursing homes? The other point — I thought this was made quite well on a program a week ago; the hon. Member for Edmonton Norwood and I had the opportunity of, I guess, discussing, which I think would be better than saying "debating" — was the level of profit at which some of these private nursing homes operate. The assertion was made by the person who moderated that program that some of these profits are pretty darned high. But nobody knows for sure because, to my knowledge, the health services review committee doesn't have access, isn't able to look into the books of the private nursing homes in its review. I would appreciate some response from the government on just where we're going on this whole nursing home business.

Mr. Chairman, two other points before getting into discussion of Berwyn. The first deals with the question the Leader of the Opposition raised; that is, the recent settlement with the United Nurses of Alberta. While negotiations were conducted between the Alberta Hospital Association on one hand and the United Nurses on the other, clearly as long as you have last-dollar funding from the provincial government, the decisions we make are going to be crucial in any set of negotiations.

We have crossed that bridge as far as the nurses are concerned. But when I look at the other people in the health field, I find that we have at least several major

contracts outstanding. The view of some people who have had traditional relationships with other professionals is that they too are saying, well, if that arrangement can be reached with the nurses, what about the registered nursing aides, who have normally had a 75 per cent parity with registered nurses? Are we going to maintain some of those historical patterns of parity? I raise that question because it seems to me the bottom line is not whether we continue the restraint policy in Alberta as it applies to public employees so much as being able to continue to attract people to work in our hospitals. I would say to the minister that we can spend all the money we want on constructing new hospital facilities in this province, but unless we pay competitive wages we're going to have a tough time keeping people in our system.

Mr. Chairman, all one has to do is look at the salary levels which have moved ahead rather more quickly in the private sector in the last several years. There's no doubt about it; we're going to have difficulty retaining staff. Prior to 1975, there were two or three years when public sector settlements outstripped private sector settlements. But for the most part, that has not been true over the last five years. It has been the other way around. It seems to me that if our hospital boards are going to be able to retain staff not only today but have staff tomorrow and the day after tomorrow, they have to be in a position where they can bargain with the people representing the workers in question. And by George, Mr. Chairman, it seems to me — and I'd be less than honest if I didn't say so — that they are not going to be able to stay within 7.5 to 9 per cent guidelines. This government might like to achieve that goal. I would say that if we do, we may get by without strikes — and I'm not sure we'd do that. But even if we got by without strikes, we would have people voting with their feet, because they simply would not be entering the job market in hospitals or, in some cases, they would be leaving.

That leads me to the other point I want to make, the question of the function of hospital boards and this whole question of the role of hospitals, hospital trustees, and the administration of hospitals. Mr. Chairman, during the course of the first set of questions on the Berwyn hospital, on March 25, 1980, in answer to a question that I posed, on page 62 of *Hansard* the minister said:

Mr. Speaker, the location, co-ordination, financing, and administration of health care facilities in the province are the responsibility of the government, through the Department of Hospitals and Medical Care.

Well, I will say in this case, Mr. Chairman, that we have a rather more liberal definition of ministerial responsibility than we get from the Minister of Social Services and Community Health. He says he's responsible only for policy; administration is somebody else's responsibility. Here we get: even the administration of health care facilities is the responsibility of the government, through the Department of Hospitals and Medical Care.

Mr. Chairman, it seems to me that that statement — sometimes statements are made in the give and take of debate — is either an accurate reflection of the government's position or it has to be modified. If it's an accurate reflection of the government's position, then I really wonder what kind of role hospital board members are going to have in the future in this province. If we're saying the location, the co-ordination, the financing we know through last-dollar funding — we had that debate in 1973 in the House when the present Attorney General brought in the last-dollar funding program. But at that

time we were sure that the administration of hospitals would still be left up to local board members. But now we seem to have gone one step beyond that, Mr. Chairman.

That really leads me to pose one question. During the course of the last year, another kite flown by the minister on occasion was a suggestion that perhaps there should be access to local requisition, as we had before 1973. I would ask that question again of the minister. What is the government's position on this business of requisition? I ask that deliberately because we've just got through the estimates of the Minister of Municipal Affairs, and the Member for Bow Valley raised a very good point about some of the concern in rural Alberta about the new assessment formula. Now that's not going to be a serious problem if all things remain equal. But if we find all of a sudden that we've got a restraint program carried out by the Department of Hospitals and Medical Care on one hand, but we have this new opportunity to requisition at the local level based on an assessment formula for agricultural land which will be substantially higher, many times higher than it was before, then you've got some concerns among farmers, Mr. Minister and Mr. Chairman. I would say to the minister that perhaps we should have a pretty clear indication tonight as to where this government proposes to go on the question of requisition.

Mr. Chairman, this sort of leads me to the discussion of Berwyn. It seems to me that we really have an intriguing situation where the Berwyn hospital district will now find its hospital in Grimshaw, which is a matter of some passing interest to the people in Grimshaw, although not of whole-hearted support by any means, and a matter of more than considerable concern to the people in the rest of the Berwyn hospital district. I would say quite frankly to the minister that had this decision been made by the hospital board, had they wrestled with that decision and decided they were going to move the hospital from Berwyn to Grimshaw, as the MLA for Spirit River-Fairview I would have been disappointed. But that's where it would have ended, because at least the decision would have been made by the local hospital board. But as the minister himself admitted in the Legislature on March 25, apparently that decision wasn't made — well, we know it wasn't made — by the local hospital board.

Mr. Chairman, as I look a little further in the debate on March 25, page 63, I discover that the government apparently had listened to other hospital boards in the province; for example, Olds-Didsbury, Raymond-Magrath, Trochu-Three Hills. They sat down and discussed with the boards whether there should be a consolidation of the hospitals and, I think, wisely decided not to. I don't believe that overcentralization of hospitals is a good idea. But at least the decision was reached as a result of discussing the matter with the boards in question.

But why wasn't that done in the case of Berwyn, Mr. Minister? It seems to me that if that had been done, and if the Berwyn hospital board had said, all right, for all the reasons the minister gave we've just got to move this hospital to Grimshaw, people in Berwyn wouldn't like it, but they would accept it. But that decision wasn't made by the Berwyn hospital board.

I want to take just a few minutes of the committee's time tonight to outline some of the reasons I would like the minister to reconsider the announcement made in March of this year on the question of the relocation of that hospital. First of all, Berwyn is the centre of the Berwyn hospital district. While all rural hospitals don't

have as high an occupancy rate as we would like, nevertheless, as I look over the figures, Mr. Chairman and Mr. Minister, the Berwyn hospital occupancy rate was very high by comparison with most small hospitals. In 1978 the occupancy rate was almost 70 per cent. In 1979 it went down slightly, but was still 62 per cent. It's the centre of the district. It was established more than 50 years ago as a result of voluntary efforts by people in the area. It has had a good occupancy rate. By the way, further to that point: by moving the hospital to Grimshaw, in fact you're bringing it within the ambit of the Peace River area. I would suspect the occupancy rate in Grimshaw would be lower, because people from the west, who now use the Berwyn hospital, would tend to use the Fairview hospital.

Mr. Chairman and Mr. Minister, the second argument I would present for Berwyn as the obvious place for a new hospital is that in hospital planning it seems to me one thing you would consider in that region of Alberta is the need to have some kind of overflow hospital facility. We have two very probable major industrial projects. One is the oil sands plant in Peace River. That's going to put tremendous pressure on hospital facilities in Peace River, even with the expansion being planned. We have the likelihood — not the certainty, but the likelihood — of a major dam at Dunvegan. That's going to put an enormous amount of pressure on the Fairview hospital. One of the advantages of Berwyn being in between the two hospitals is that it can serve an overflow capacity, as well as the people in the traditional Berwyn hospital district; and one of the difficulties of moving it very close to Peace River is that it becomes less efficient in terms of serving the overflow capacity from the Fairview hospital.

The third area I would cite is that . . . And I know some of the members and the minister laughed. I'm not entirely sure the minister made fun of it. I don't think that would be entirely fair. But I remember that a few days after the 25th I asked a question about the concerns of senior citizens in Autumn Lodge. Right now Autumn Lodge is in the village of Berwyn. As the minister knows — he's been in the hospital — the Berwyn hospital is just a couple of blocks away from Autumn Lodge, so if one of the members of a couple, the husband or wife, has to go to the hospital, it's no big problem for the other to walk over and see that person. As a matter of fact, the Autumn Lodge was developed in Berwyn because we had the hospital in Berwyn. That's the reason the North Peace Foundation decided the Autumn Lodge would go in Berwyn.

When I put that question to the minister, he said: well, we're just moving it seven or eight miles down the road; it might be a little further, depending on where you get the land. That's only half-way across the city of Edmonton. But, Mr. Chairman and Mr. Minister, there is quite a substantial difference between a city where you have a first-rate public transportation system and you can get on a bus and go and a rural community where, if you don't have your family in the area or at your beck and call so they can drive you over, how do you get from one community to another? The physical problem. Take the bus? Yes, you can take the Greyhound. You can go one night, stay over a day, and come back a day and a half later. You could do that if you used the public transportation system. Otherwise, you have to hope that you have a son, daughter, cousin, some relation, or someone else in the community who will drive you down. Mr. Minister, why put people through that kind of indignity?

We had a meeting that the minister was invited to on

April 1. A large number of submissions were made. I know the minister has received those submissions, because Mr. Stromstedt, who happened to be chairman of the meeting, met with the minister on April 24. One of the points the senior citizens made was: why move the hospital? The tremendous inconvenience that's going to cause them . . . If I can, Mr. Chairman, I will just read a small part from one of the briefs presented at this meeting:

There are elderly people in Autumn Lodge who gave of their youthful strength, yes, donations too, when money was a scarce commodity. We can be proud of our heritage and our sharing in the opening up of this great corner of the Peace River country. To take away our hospital is unworthy and unkind. To uproot the tradition of its being should not come to pass.

This particular lady, Mrs. Heath, is some 80 years of age. She's a pioneer, lived there all her life. Her point of view was the point of view of all the people in the home. I'd like to know how many communities where we have senior citizens' lodges and hospitals have found that the hospital has been relocated to another community. I say to the minister as sincerely as I can, think about that.

One of the other arguments the minister advanced at the time is that the staff live in Grimshaw. That's not true. The two doctors live in Grimshaw. But over the last 10 years, there have been a lot of doctors who have come and gone. Over the last five years, we've had seven doctors in the area. You don't locate a hospital on where the doctors live, Mr. Minister. One of the doctors who is presently serving at the Berwyn hospital, very well I might add, has just recently moved to Grimshaw. A few months ago he was on a farm south of Brownville, which is west of the Berwyn Hospital. Who knows where the doctors will be two, three, or four years down the road.

But the people who traditionally have been there for some period of time — the registered nurses, the registered nursing assistants, the custodial people, the ambulance drivers — live in Berwyn. You know, the registered nursing assistants presented a brief to this meeting. The minister also has this brief. It points out that according to their data, of the 38 staff members only 10 live in Grimshaw; the others live in the Berwyn area. Mr. Chairman, I just don't think there's any logic in the argument that we should move it, because the staff for the most part live in and around Berwyn. The staff want it kept in Berwyn. The registered nurses, very clearly and officially, have voted as a group that they want it kept in Berwyn. That's true also of the registered nursing assistants.

Mr. Chairman, I mentioned the ambulance service. There was no ambulance service for a number of years. We had to deal with an ambulance service from Peace River, which just wasn't workable. So what did the community do? They dug up the money and set up their own ambulance system which is staffed with volunteers. All the drivers come from Berwyn. The drivers are saying to the government: keep the hospital in Berwyn. We've just gone to the expense of building a garage; we live in Berwyn. Why in heaven's name don't we keep the hospital in Berwyn? That's where we've got the volunteers. This government is always talking about volunteerism. We've got volunteerism in Berwyn. We wouldn't have had a hospital in the area at all if it had been for volunteerism. So why move the hospital?

Then we've got the people in the western part of the district. They made a submission too, and the point they

make is very blunt: that moving the thing to Grimshaw . . . Sure, seven, eight, or 10 miles — that's true. But if you've been hurt in a farm accident, that extra little bit of time getting to the hospital is something you don't want to have to cross. It's a bridge you don't have to cross if you don't have to.

Mr. Chairman, in concluding my remarks on this particular question, I think the whole case for retaining the present location of the Berwyn hospital was best put by a lady who was a former mayor of Berwyn, a music teacher for 34 years, an owner and manager of a car dealership. She's presently president of the Berwyn Health Centre Ltd. She put up some \$75,000 of her own money to kick off a community drive so we could develop a community health centre so there would be doctors' offices and a pharmacy in the Berwyn community. Mr. Chairman and Mr. Minister, this lady is not a member or supporter of the New Democratic Party. As a matter of fact, to my knowledge she's a supporter of the Social Credit Party. She's not an enemy of this government. She has given \$100,000 to the cancer research fund. There's a plaque in the W. W. Cross centre — \$100,000 of her own money. What does she say? Mr. Chairman, I want to read this into the record, because I want the minister to consider it. She says:

Approximately two-thirds of the nursing and non-professional staff live in Berwyn.

A "larger growth centre" does not necessarily constitute a more sensitive and caring community for the needs of all!

More money in a community available does not necessarily mean that it is used to the best advantage for the needs of all!

I strongly urge the Alberta Government through its Hospitals and Medical Care minister to reconsider its decision; restore the privilege of exercising its autonomy to the Berwyn Hospital District Board members which they were so unjustly deprived of in decision making!

She goes on to say:

My politics are MY politics!

My religion is MY religion.

I have basic Human Rights!

and when these get infringed upon by "the powers-to-be" unfeelingly, and with no adequate reason given for such infringement, I want to know WHY?

Mr. Chairman, she goes on to say, and I just conclude with this:

The Government has set a very poor example of the golden rule of living — "do unto others as you would have others do unto you".

This is from Mrs. Flore Shaw who is, in my view, one of the best examples I know in the province of Alberta of a person who has committed her life to volunteerism.

In closing, I realize that on April 24 Mr. Stromstedt, who very ably chaired this meeting, met with the minister and he indicated he would be prepared to come to Berwyn. I appreciate that. I think that's a responsible thing to do. I would just extend the hope to you, Mr. Chairman, and to the minister that when you come to visit the people of Berwyn, you would come not with a flat position that there is no discussion, but you would genuinely be prepared to review this decision; you'd come with an open mind after reviewing their submission. Because quite frankly, when one looks from a planning point of view, from the history of the community, from the volunteerism involved, from the people it serves, even from the attitudes of the people within the hospital dis-

trict, I will say to you, Mr. Chairman, to the minister, that I think the community can make a darned good case for keeping that hospital where it has always been, in Berwyn, rather than having it relocated.

MR. CHAIRMAN: There are a number of members who have indicated they would like to make some comments. I would just read you the list by constituencies so you will have some idea where you are in this discussion. The Member for Calgary Millican is next. The Member for Calgary Buffalo has indicated he wants to speak. I see he is not in his place; perhaps he will be by then. The members for Highwood, Drayton Valley, Edmonton Belmont, Clover Bar, Edmonton Norwood, and Lethbridge West.

DR. CARTER: Thank you, Mr. Chairman. I hesitate to stand and follow in the tradition of the previous theological discourse, which took only 25 minutes or so. Nevertheless, I would like to make five quick comments. One is to compliment the minister and his department in particular for the way they have been able to cope with the fantastic in-migration to this province and the various developmental problems within the province.

As a member of the Health Facilities Review Committee, in this last year I've been privileged to be able to travel around the province and visit a fair number of these institutions which come under the direction of the minister. It has been quite interesting to note the various reactions of personnel in these places, also to examine the kinds of facilities in place. It is quite evident to those of us who visited some of these facilities in other provinces that, in actual fact, Alberta has much to be thankful for and proud of. Again, that's without saying that the system is perfect, because as most of us know, there's no perfect system here on earth. One of the difficulties, of course, is recruitment of medical personnel. I hope the minister might see fit to comment upon any recruiting procedures in place, whether they be with regard to the nursing profession or medical doctors.

In his comments, the Member for Spirit River-Fairview touched on the matter of extra billing. I hope the minister will make some reference in his remarks not only with regard to what was a generous settlement with respect to the medical profession, but about some of the in-house difficulties of the medical profession in this province as they relate to the Alberta Medical Association and to the other organization known as the College of Physicians and Surgeons. Perhaps some comment would be in order on the distribution of funding sent over to the Alberta Medical Association for its distribution, and some of the difficulties that kind of process entails with regard to the allocation of funding or payments within the profession itself. I think that's one of the very sensitive areas, also one which is overlooked: the whole distribution of payments as distributed by the profession itself rather than by the government.

[Mr. Purdy in the Chair]

The minister might care to comment on the role and function of the Health Facilities Review Committee in terms of its operation not only in both active- and auxiliary-treatment hospitals, but with regard to nursing homes and senior citizen lodges within the province, all of which come under the parameter of that committee. That committee is very important. It has 12 members, of which 10 are members of the general public. It is quite evident,

especially within this last year, that this particular committee has gathered strength with regard to its many ombudsman-like functions. I would like to hear from the minister how he regards the functioning of that particular committee, especially with regard to complaints sent in from staff members, residents, and patients.

Finally, Mr. Chairman, if the Minister of Hospitals and Medical Care might care to comment — and I hope my neighboring constituency colleague from Drumheller will forgive me if I bring this matter up this evening — I understand that due to some cataclysmic event last evening, perhaps there's a rumor that he might be reconsidering the whole delivery of health care facilities within the constituency of Drumheller.

MR. SINDLINGER: Mr. Chairman, I'm pleased to see that the hon. minister is in good health tonight, as compared to what he was the other night after what the Member for Calgary Millican just referred to.

Mr. Chairman, I would like to ask a question of the minister in regard to physiotherapists in the province of Alberta. Recent graduates of the physiotherapy program at the University of Alberta are treated a little differently from graduates prior to 1972. Those who graduate now and wish to go into practice or set up a clinic for themselves may do so, but their clients aren't eligible for payment of their costs through the Alberta health care insurance plan, whereas the clients of those who graduated prior to '72 and set up their own clinics are eligible for payment of their costs. The question to the minister would be: what consideration is his department giving to reconciling that discrepancy between recent graduates and graduates prior to 1972?

MR. WOLSTENHOLME: Mr. Chairman, I would like to commend the minister for realizing the importance of the valley area. The valley area in my constituency encompasses some of the finest area in Alberta when it comes to beauty and to integrity of people. It encompasses the Turner Valley, Black Diamond, Longview, and Millarville areas. The residents there regard it as the area where it all began. Of course, they refer to the original oil boom which started it all for Alberta.

They have been very patient, and are pleased they are going to have a new hospital. They have asked me to convey their thanks to the minister and his department. Mind you, they asked me to keep a wee bit of that thanks for myself, but I'll pass on the share to the hon. minister. I just want him to know how we feel about it down there.

Thank you, Mr. Chairman.

MRS. CRIPPS: Mr. Chairman, my comments arise from a recent letter to the editor by a doctor after a trip to the United States, during which he had occasion to have medical treatment. The bill for a test routinely carried out in Alberta had to be paid before he left the hospital, and it was over \$600. The point is that he was shocked at the cost; he uses it routinely. I think we would all be shocked if we realized the cost of health care in Alberta. What does it cost for a routine test, an X-ray, a week in the hospital, or for surgery and the surgery room? The point is that we take health care for granted.

Mr. Minister, I wonder if it's possible for patients who have been in hospital to receive a receipt for the total bill stamped "paid by the people of Alberta". Alberta has one of the best health care programs in Canada. Anyone who has ever had a chronically ill family member has to appreciate the fact that health care is for everyone, regar-

dless of financial circumstances. Specialists are available to all, again on an equal basis. In Alberta illness does not spell financial disaster. We do not have to sell our farms and our homes to pay for medical care or hospitalization. Believe me, illness is a physical, emotional, and mental drain without the worry of paying the bills.

I do have another question, Mr. Minister. What responsibility does the hospital board have to the public? Are the meetings of hospital boards open to the public?

Thank you, Mr. Chairman.

MR. MACK: Mr. Chairman, just a few brief remarks relating particularly to the demands of the health delivery system in the province of Alberta, and more particularly in our own area. The buoyancy and expansion of Alberta's economy and the availability of work have caused inordinate growth and an influx of Canadians and new Canadians into our province. As a result, these growth patterns are placing, and have placed, a tremendous strain on the health delivery systems that were in place in the province.

I cannot help, as we view the total sum in a positive note, as I believe the Minister of Hospitals and Medical Care did, in that not too long after he took office, he recognized some of the lack of capacity in our health delivery system and came to grips with it in a very positive way — and I think we should recognize that. I find that the doers are going to be criticized because they are doing something; for those who aren't doing anything, naturally there's nothing to criticize them about. So I think that was a very positive note, to the hon. Leader of the Opposition across the way, when I felt he was addressing in a sort of negative tone the matter of the health delivery system in the province of Alberta. I would term that a compliment, in that whenever you have capital expenditure of \$1.25 billion, that is a tremendous, giant step forward in upgrading. [interjections] We're picking up where the hon. member left off some years ago

AN HON. MEMBER: He never started.

MR. MACK: ... in establishing a lot of little house-type hospitals. Those have outlived their usefulness, and of course they have to be replaced and addressed. I think this particular budget is doing just that. The major expansion of the health delivery system in the province, unlike anywhere in Canada — I commend the minister and his staff for the vision and the appreciation and the recognition of the need, but more importantly, addressing the need in a very positive way.

I also commend him for not making the decision with the burden of planning only on his staff internally. He sought out and established advisory committees, citizens' committees that are representative of the province, of various professions, and of other sectors of our society. The input from all these committees generated the kind of very positive, innovative program that is before us this evening.

I'm certainly pleased, because the northeast quadrant of our city, which embraces the Edmonton Belmont constituency, has been basically isolated, particularly during peak hours when the traffic does not move too well. That constituency has been essentially isolated from any active treatment centre. I think the announcement of a 400-bed, \$55 million, brand-new hospital in the northeast quadrant of the city is indeed very much appreciated, Mr. Minister. Certainly the constituents are excited about it. We trust

we can have an updated report, before too long, on the planning of that particular health delivery facility, so that we do have a hospital in place within a time frame that would not be extended much beyond the three or four years required for the planning and building of that facility.

I'd like to touch briefly if I may — and I think I can speak with a degree of authority — on the area of collective bargaining. It tickles me at times to listen to novices where it relates to collective bargaining, in that I'm always a great believer that the collective bargaining process should not be tinkered with by government or anyone else. We have legislation in place, and the parties to the dispute should be allowed to utilize that legislation. I think simply to suggest that the government is the last-dollar funder, does not necessarily embrace immediately that the government does the negotiating.

I think it's abundantly clear that the negotiations were going on between the United Nurses of Alberta and the Alberta Hospital Association. I think our reflecting briefly on the issue probably has merit. Not all the issues were economic; in fact, some of the major issues that separated the two were not economic. They were some of the other very, very important components within the collective agreements. To suggest here that it was strictly economics is a travesty, because indeed the economics were probably secondary, or at best or perhaps at worst, they probably enjoyed the same type of attention or concern as those other issues that needed addressing. Certainly this government was completely insulated from those. It was a matter between the Alberta Hospital Association and the United Nurses of Alberta. [interjection] I'm speaking from a posture of knowledge, Walt, not conjecture.

DR. BUCK: A prepared text is what you're speaking from. The party line.

MR. DEPUTY CHAIRMAN: Order please.

MR. MACK: Thank you. I understand that at times the truth hurts, but we have to get a little bit of the truth once in a while. I thought I would throw that in, because I believe it is germane to the matter when we're discussing it, and what really separated the two parties should be focussed. I'll just bypass any further discussion on it, but I would be prepared to give any lessons you might want in labor relations at any time — that would have to be convenient to me, of course — if you so desire. [interjections] That is an offer to you, too.

DR. BUCK: Tell it to Young and Russell.

MR. MACK: Indeed, I think the program we are considering this evening is a landmark in Canada. It's extremely positive, and I have nothing but commendation to the minister and his staff and to those advisory committees that have allowed him to make such wise decisions.

Thank you, Mr. Chairman.

DR. BUCK: Mr. Chairman, I'd just like to make one or two brief comments: [applause]

MR. R. CLARK: They may not be so brief after all.

DR. BUCK: I would just like to say that after several years of the Chinese torture trick on the government, we finally got some action. I say in all sincerity, in all humility ... [laughter] ... that this government was

pushed into its hospital program, Mr. Chairman. It was pushed into its program. The opposition and the people of Alberta kept saying to the government: look, you have not been responding, you have closed your eyes to the fact that we do need hospitals, there's a shortage of hospitals; and finally ... In fairness to the minister — and I have great respect for the minister, because I've known the hon. minister responsible for hospitals, Mr. Russell, for a long time. He's got some backbone. I have to hand that to him. He's a bit of a tough cookie. I guess sometimes you have to be in this business.

AN HON. MEMBER: He's got gout.

DR. BUCK: I can be nice to him now because he's building a hospital in Tofield. [laughter] But I might not have been so generous had he not made a ...

MR. BRADLEY: He can always cancel the project, Walt.

AN HON. MEMBER: He can pull a Grande Prairie on it.

DR. BUCK: But I do wish to say that the minister and the government have embarked upon a program of decentralization. You cannot have decentralization unless you have your recreation and hospital facilities in place. I do wish to compliment the government, but I want them to remember that they got pushed into the program. But at least that's better than no program at all. I'd like to say to the minister that I hope the hospital programs he has indicated will go ahead do not take as long as the Grande Prairie hospital. Because the Premier, with great enthusiasm and exuberance — as the Premier is wont to do when there's an election — in 1975 promised the Grande Prairie hospital.

MR. R. CLARK: Money was in the budget.

DR. BUCK: Money was in the budget. We are going to go ahead with the hospital, he said with his best Harvard accent. But then it took the Queen coming in 1978 to lay the cornerstone. I hope we don't have to have the Queen come back to cut the ribbon, because it has taken a long time for that hospital to show some indication that it's going to come into existence.

I would like to say to the minister that the need, as the hon. Member for Edmonton Belmont indicated, for major facilities in northeast and southeast Edmonton is long overdue. The southeast Edmonton hospital has been promised by the members for Clover Bar, Edmonton Sherwood Park, and now Edmonton Mill Woods. Finally, after three elections, we're going to have a hospital.

The area I would like to address most of my words to, Mr. Chairman, is the ambulance question. I think the government is showing its lack of respect for the legislative process, because it was this Legislature that voted a direction to the government that the government go ahead with a province-wide ambulance service. I'm not going to rethraash old straw, Mr. Chairman and members of the committee, indicating that the government has certainly been dragging its feet.

The last point I would like to make to the minister is on the physiotherapy units in our hospitals, the criticism I have received from people saying, we can't have the type of facility we'd like to have because the funding is not there. The physiotherapy units in most of the hospitals could be doing a much better job than they are. This is

one area I'd like the minister to address his thoughts to. I'd like to make some other comments as we go through the estimates later.

MRS. CHICHAK: Thank you, Mr. Chairman. I'd like to make a few remarks this evening with regard to auxiliary hospitals and nursing homes, and to some extent active treatment hospitals. I'll try not to repeat some of the remarks that have been put forward this evening by the hon. Member for Calgary Millican. Of course, the hon. Member for Spirit River-Fairview again sparked some need for debate. Perhaps at some point we will take the appropriate time for that particular debate. But I think it would be beneficial tonight perhaps to put a few matters forward.

First of all, I would simply like to say to the hon. Member for Clover Bar: his supposed humbleness this evening is very refreshing. He doesn't present himself in that light very often, and I guess we appreciate that this evening. [interjections] Perhaps that's what it requires: the humbleness. [interjections]

Now, Mr. Chairman, perhaps I'll take my turn at debate again and just look at the matter of our nursing homes in the province of Alberta. It was not so many years ago, perhaps less than a decade, when the average age of the population in our nursing homes in the province was 75. When we examine that particular aspect of our nursing home population and auxiliary hospitals now, I think we find that has dramatically changed, perhaps to the average age of 85. That really says many things to us. The kind of role that nursing homes are now required to fulfil is perhaps far more difficult and demanding than it was a decade ago. Simply the fact that the average age is changing — in many instances, of course, the body requires much more attention, much more assistance in a variety of services.

But it is interesting to recognize that the percentage of ambulatory residents in the nursing homes is extremely high. In visiting these homes across the province, I think the percentage would not be very much out if I indicated this evening that it's in the vicinity of 70 to 75 per cent. That is very important because, first of all, I've noted that the average age has changed significantly, yet the ambulatory ability of the citizens in these facilities is fairly high. It is recognized that the mental impairment of the citizens will have increased, although the percentage is still at a reasonably low level. However, it does require greater attention to be given insofar as how heavy a care load the nursing home service is now faced with.

I suppose one of the problems that has existed in recent years — and a good part of it has been with respect to professional manpower — has been the influx of people into this province, the demand in the health care field for professionals in active treatment facilities, of course resulting in a drain on the number of professional people there are for employment in nursing homes and auxiliary hospitals. And of course there will be a strain. I'm sure that with the direction both the hon. Minister of Hospitals and Medical Care and the Minister of Advanced Education and Manpower have moved with regard to educational programs, this shortage will be overcome very shortly.

I'd like to say, though — as a chairman of a committee whose members visit the various health care facilities throughout the province — that in too high a percentage we have found there has been a lack of recognition of the involvement of the family with respect to continuing to visit with their seniors. In many instances not sufficient

involvement by the community, community organizations, community groups — the volunteer aspect. These are the kinds of groups that need to provide much of the service and care that really should not be called upon the professional in the facility or the worker in the facility. The kind of activity that is necessary, the recreational facility, the craft, the service that can be provided to maintain mental activity on the part of the residents — I think it is very important to recognize that these are major components of the kind of care that must be provided in the lodges, nursing homes, and auxiliary hospitals. If we continue to press and make policy decisions and move in directions that remove the requirement, the feeling, or the responsibility the volunteer and the social group, the community group, have to be part and parcel of the service provided there, the cost to provide professionally paid service in this field will be horrendous. It would be something even a province as wealthy as Alberta, for the moment, would be able to provide. So I think it's a very necessary area that needs to be stressed and communicated to our society as a whole.

We have found from time to time in certain areas that there are community agencies or services such as home care, day care geriatrics services, that could be utilized much more in these facilities by the administrative arm — the administrators, the boards. More communication could be made to utilize many of these services to broaden the kinds of programs and care that would be helpful and would improve the life of the residents in these facilities.

I recognize, Mr. Chairman, that because of the changing average age level in these facilities, there needs to be a re-examination of the regulations with respect to the kind of professional staffing or programs necessary. I think the medical profession needs to re-examine whether they are fulfilling an adequate role or the proper professional role in ensuring that citizens in these facilities get a regular review or reassessment of their condition and medical needs, whether on an annual or periodic basis. Perhaps that has not been carried out to the level it might be, for a better than minimal service.

I know we have those recommendations. Our committee has requested that the minister have a review of some of the regulations with respect to nursing homes and auxiliary hospitals where there are heavier caseloads, where the population picture is changing, to provide in the regulations the ability to reflect the different percentage or kind of need in professional staffing that pertains not across the board, not in every one of the facilities, but where the population has differed extensively. I'm sure the minister will indicate he is having a look at this and that, when the review has been completed, he will address himself to the appropriate changes. I have no question that this will take place.

I have to acknowledge that our committee has had extremely good co-operation from the minister and the department, whenever the committee has requested that action be taken in certain areas. I want to say we have had extremely good co-operation from the operators and boards of various nursing homes and all the health care facilities under our jurisdiction, in overcoming any problem areas that have been cited and brought to their attention. I think they have to be commended for that. Of course there are areas that need attention and change, and I'm sure that will come about in due course. But there needs to be that kind of recognition.

I think the negative publicity that has been given to nursing homes, that these are death shops for seniors, is

very unfortunate. It portrays a very wrong concept and attitude. There are many, many dedicated people in all these facilities who are really giving of themselves to provide the kind of care and service these seniors need. To take a brush and wash them out as though they were really uncaring and unthinking is a disservice to all those people working in these facilities. I have to stress at this time that it is most unfair for any group in our society to just brush them like that and say there isn't any level of care; that the whole thing can be solved with dollars and with the government eliminating private operators, and that it should all be publicly operated.

I think society has a responsibility, and some of it is to provide the kind of consideration that ought to be there. I think it is healthy to have service by different operators. If there are inadequacies in any of these, yes, I think we have to bring them to their attention. Generally, we have found that they have been responsive to requests put forward.

Mr. Chairman, I think it was necessary to bring some of these matters out. There are a lot of dedicated people who are providing a very real service. I'm sure they will continue to do so. It would be wrong of me or anyone else to say there are no inadequacies, no shortfalls; certainly there are. As long as we keep striving to improve them, to increase the level of care ... Without the involvement of the family, volunteer groups, or various social groups in our society playing their role, we really will not reach the kind of service and care the citizens in these facilities deserve.

Thank you, Mr. Chairman.

MR. GOGO: Thank you, Mr. Chairman. I, too, would like to make some comments relative to the minister's opening remarks. It seems many members have recognized the enthusiasm and initiatives the new minister has taken toward his portfolio. I think it's very clear in some announcements he made that not only is the government committed to expanding additional facilities in Alberta — whether that's good or bad — but certainly the dollars are being expended and, I think, with some degree of assurance. When we look at these figures, Alberta will be second to none in the country in its expenditures on its citizens in terms of the health delivery mechanism.

Mr. Chairman, as the minister indicated, the budget is indeed over \$1 billion. It's greater than the total provincial budget 10 years ago. In terms of net expenditure, that's more than \$500 for every citizen — man, woman, or child — in the province of Alberta.

In bringing this budget to the Assembly tonight, the minister quite rightly pointed out some of the implications that lie ahead for Albertans; some of the implications that are going to be there if, like most jurisdictions, they have to rely on taxation or premiums from people to pay for these services. So I would hope members of the Assembly take note from the comments of the minister that, in expending this kind of money, particularly in the capital area — when we realize that to run an operation, the operating costs, the latest estimate or 'guesstimate' appears to be equal to the capital cost every 30 months. So when we talk about \$1 billion in terms of expenditure on capital construction, perhaps we are talking about \$1 billion two and a half years from now in many ways in addition to what we are spending.

An area that concerns me, Mr. Chairman — and I would hope the minister might make some comments — is the supply of physicians, particularly in rural Alberta. For example, we see in the annual report of the Alberta



Health Care Insurance Plan that since 1976, four years running into 1980, general practitioners — they are the fellows who historically have kept you alive — have had a grand increase of 24 physicians in the province, whereas the specialists, by tradition the fellows on the 17th carpeted floor in Edmonton, have grown by 110. When we recognize, as a result of government policies over the last 10 years, how rural Albertans have tended to stay in those areas, one can't help but wonder who is looking after their health needs. Obviously you don't find many dermatologists in rural Alberta.

It's interesting to note that last year dermatologists earned more than any other physician in the province of Alberta: \$138,000. I suppose we are all pleased about the increase of 15.5 per cent to the physicians of Alberta, announced January 1. It's somewhat interesting to me to see that the dermatologists averaged — the median increase was about \$18,000 for the year. I suppose they're essential for saving lives. Frankly I have enough difficulty pronouncing the name without understanding what they do, but I understand dermatology is really a study of diseases of the skin.

I sometimes wonder about priorities, Mr. Chairman, and that leads me to wonder about the allocation of funding for physicians in Alberta. My understanding is that we tend to block-fund a percentage increase to the physicians of Alberta, then in house they tend to break it down. If we hope to get GPs into rural Alberta — who tend to be the only ones who go there — I suggest we have to address ways and means of getting them there.

I look at the \$65,678 median income of GPs last year. Then we had that grand 15.5 per cent announcement that we all talked and bragged about. The GPs didn't get an \$18,000 increase for this year; they got \$11,900. Those members who live in rural Alberta who party late at night sometimes see the doctors on their house calls on their way home. I suggest, Mr. Chairman, that the only way we're going to retain and encourage physicians in rural Alberta is to offer them some form of incentive; not necessarily money, because the Income Tax Act is a great leveller. As one example, though, I note that British Columbia offers a 15 per cent premium for certain rural physicians. Above a certain latitude, Manitoba offers a 6 per cent bonus. But it's something we've never done in Alberta.

[Mr. Appleby in the Chair]

Frankly, I think more than money is required to look after rural physicians. Naturally, they have families. Some of them enjoy the opera. They like to have peer connection and discuss similar matters with their peers. Mr. Chairman, I suggest that somehow we have to develop a program to encourage physicians to go out there. We can go one of two ways. We can use a tool that is historically successful; that is, we can bribe people. The other way is to look to their professional associations. I sometimes wonder where that responsibility is. In some areas, I understand you have to agree to perform in a certain area to get a licence. Perhaps that's a role for the college to look at. When I look at the increases we announced at the first of the year, though, one wonders if the motto of the A.M.A. is not "them that has, gets".

Mr. Chairman, I suggest Albertans are probably second to none in terms of the medical care they get. Heaven knows, they made 16.5 million claims last year for 2 million people. So everyone made 8 claims. One would question how healthy we are if we rely that heavily

on our health care system.

It's been mentioned already, not as a *quid pro quo* but as a suggestion with the doctors of Alberta, in pointing out that they are unique. They have it both ways: the guarantees of medicare and, so far, the privilege of balance or extra billing. Mr. Chairman, I hope the minister would respond to the various questions raised tonight in how that survey is going. I understand that at last count about 38 per cent of Alberta physicians were extra billing. I'm not the least bit interested whether they're extra billing an average of 12 cents a service or whatever. To me it's a matter of principle and, frankly, I don't think they can have it both ways.

Mr. Chairman, something that's grossly missed out each year is the very unique provision in the Alberta health care plan to provide for emergency financial aid. I think that's very important, and I want to point it out in case nobody else does. Each year we have Albertans who, for a variety of reasons, can't get the medical attention they need within their own province and must leave the province to go where it is very costly. Mr. Chairman, I suggest that the health care plan and the committee they have should certainly continue. It's helped in a very meaningful way people who would otherwise go bankrupt through medical costs, like the 15,000 Americans last year. That's something that should be retained.

The question of ambulance service has been raised already by members. I would simply say that in the constituencies of Lethbridge East and West, we have a pretty good ambulance system now run by the fire department. Mr. Chairman, I sometimes question, though, whether that's adequate and whether perhaps a province-wide plan is really not due as we enter the '80s. I recognize that if we're going to construct these hospitals around the province, it's only natural perhaps to provide an ambulance system, in addition to the first-class roads.

I think many good things have happened in the past year, Mr. Chairman. I'd like to point out just a couple as they relate to the Lethbridge area. For many years we've had perhaps 12 to 18 people who, through disease, have had to have dialysis treatments. They've had to ride those Greyhound buses to Calgary, spend an hour watching the dialysis machine, four hours on a machine, get off the machine, and get a Greyhound back to Lethbridge — a 12 to 18 hour day three days a week.

For whatever reason, it was a matter that hadn't been addressed. But it only took one phone call to the minister and a justification in writing, and that problem was resolved overnight. Those 12 to 18 people no longer have to leave their communities, no longer have to spend those long, arduous hours on buses, but get the treatment right at home. I think that's really what the Department of Hospitals and Medical Care is all about, Mr. Chairman: to make life somewhat easier for those who, through unfortunate reasons, can't make it easier for themselves.

There are still great needs. Cancer, as you know, is a friend of no one. We have over 5,000 cases a year in this province. Lethbridge people are not immune. They must go to Calgary for treatment, both surgical and certainly radiation. An area I would like the department to look at, Mr. Chairman, is the area of assisting in terms of family members joining the member of the family who is under treatment, so they can beat the \$50 hotel rooms somehow. They could utilize surplus space in our hospitals if it's there, perhaps eat in cafeterias, which traditionally are much cheaper — but in some way make provision for those members of a family whose loved one is away getting cancer treatment in a Calgary or Edmonton

hospital.

Mr. Chairman, of late there seems to be a great need in terms of neurological services. I don't pretend to say that Lethbridge needs a neurosurgeon. I do suggest, though, that the latest statistics tell us 50 to 60 children a year have to go to Calgary, which is the nearest place, to see a neurologist. Whether that's because we don't have a CAT scanner ... I don't know why it is. But I would ask the minister to consider the area of encouraging, if that's possible, a neurologist to locate in that part of the province.

Mr. Chairman, let me make a few comments — I picked this up mainly from the Member for Spirit River-Fairview — relative to the hospital needs in my community. The third largest city in the province at 52,000, I think Lethbridge is somewhat unique when we consider the number of GPs and specialists we have. My community has about 110 doctors, perhaps one of the highest in Canada, and we have two hospitals. For some years, Mr. Chairman, there has been the thought that Lethbridge was in the Dark Ages with regard to its hospitals. I won't comment further whether it was or wasn't, but I do know we have had two ministers trying to resolve the problem.

We have those in our society who believe bigness is better, and that one would be better than two. We could use the rationale and lump the university, the college, the separate school, and the public school into one huge building for education. But we forget the very important part about people and freedom of choice, and the fact that it's more than instruments and hospitals beds that cures people. It takes people who care. I think we in Lethbridge, Mr. Chairman, have been very fortunate over the years to have two 200-bed hospitals with excellent staff who've cared about citizens and cared about patients.

However, not long ago it appeared a decision was being made that one would disappear and the other would survive. Unfortunately, in some people's minds, the one to disappear happened to be the private hospital, which had a 50-year record of excellent service to the community. As a matter of fact, the life of the Member for Calgary Buffalo was saved in that hospital. Who knows, maybe that's grounds for closing it. I don't know. [laughter]

I would point out, Mr. Chairman, that after 50 years of service to the community, many members of that community believe it's the staff within the hospitals that's important to the hospital delivery program. When they got wind that perhaps one of those hospitals, particularly St. Michael's hospital, was about to disappear, they reacted. They reacted perhaps not in a subdued way. They reacted in a way that's perfectly normal; that is, they objected. They put it very clearly. Forty-five hundred signed their names, addresses, phone numbers, and perhaps even their postal codes, saying, we, from all religious faiths, want to retain our hospital.

What happened? I'm proud to be associated with a minister who not only committed himself so that hospital would remain an active treatment community hospital, and not only has stated that whatever money is necessary will be provided to see that goes on; we have here a minister who's carrying out a government policy of not only recognition but support of private or voluntary hospitals. I think that's unique to this province, and unique in western Canada. In the final analysis, when our citizens are encouraged to support a government that believes in local autonomy, local decision-making, and lots of say in how their lives will be co-operated with by

members of government, the people respond in a positive way by electing that government.

Let me close, Mr. Chairman, by saying I think the minister has done an excellent job. I particularly commend the minister for listening and responding to the wishes of the MLAs who say, in a very substantive way, that they're elected to represent their constituents. Maintaining two active treatment hospitals is responding in a realistic way to the needs of the community. So I wish to congratulate the minister.

Thank you, Mr. Chairman.

MR. L. CLARK: Thank you, Mr. Chairman. I'm glad to see that the minister's sitting in his place and looking fit today. I would like to say to the hon. Member for Calgary Millican that I'm glad to see there might be a change in health care facilities in the Drumheller area. I hear from the Member for Spirit River-Fairview that he isn't satisfied with the location. I would like to say to the minister that we'd be happy to have it in the county of Wheatland, no matter where he put it. He can pick the town. Regardless of the fact that a hospital is not planned for the Drumheller constituency this year, and regardless of the fact that the Member for Spirit River-Fairview is not really satisfied with the location of his new hospital, I would like to compliment the minister for the tremendous building program he has brought forward for Albertans. I believe it's going to have a really positive effect on the health care situation for all Alberta.

As a former member of a hospital board, I have always found it very difficult to understand or rationalize the method being used for dispensing the funding to different hospitals, mainly in rural areas. In 1953, I believe, the government took over 100 per cent of the funding of health care. This took away the ability of a local board to respond in a financial way to what they figured were maybe the extra needs of their community. This inability to respond to the needs of the community had a bigger effect. I believe, in an area which has only one hospital, like the Drumheller constituency, where the hospital is situated in Drumheller and takes care of the health facilities for a 50-mile radius. Because it's the only hospital facility, you can't rely on anything else to help out.

Mr. Chairman, I guess I'm really saying that whoever controls the funding can increase or decrease the health service in a community, and because the people cannot at the present time or since 1973 have been unable to tax themselves to supplement that care, they've become entirely dependent on the funds made available to that hospital. My concern has always been that a formula has never been established or developed that would ensure Albertans are treated equally when it comes to the funding of health care facilities. I fully realize there's a difference in hospitals. You can't have an open heart surgery unit in every small hospital, no more than every school can have the same resources as the large schools in Calgary or Edmonton. Small rural schools don't expect it, and I don't think we can expect that in any of the hospitals. None of us do.

As an example of what I'm saying, I happen to have with me the year-end statements of three very similar hospitals. One of them just happens to be the Drumheller hospital. Just so you'll know what type of hospital we're talking about, I'd like to bring the members up to date on the hospital situation in Drumheller. Drumheller is 90 miles northeast of Calgary, mostly east. From there south of the Red Deer river, all the way to Calgary, there is no other hospital. It's quite a large area with no hospital

services. They have 10 doctors in Drumheller. It's a 70-bed facility. It has four specialists and six general practitioners on staff. I might add they're a very good team of doctors; they do a lot of major surgery. It has become a kind of mini referral centre for the eastern area. The Drumheller General Hospital also supplies pharmacy, dietary, and laundry service to the 30-bed auxiliary hospital and the 80-bed Ross nursing home.

This is the type of hospital we're talking about. I would like to compare these hospitals a little. I've taken the liberty of taking figures off the financial statements I have here. The Drumheller hospital has a rated capacity of 70 beds; Brooks has 65 and Taber 66. Just a few statistics so you'll know how close these hospitals are in size and what they do: 191 newborn in the Drumheller hospital last year, in Brooks 201, and in Taber 155. Drumheller admissions were 2,174, in Brooks 1,944, and in Taber 1,881. Surgical visits to the hospital in Drumheller were 856, in Brooks 538, and in Taber 649. Now those are the main statistics. When I was chairman of the board at one time, that's what I thought they gave the funding on.

I could go into the staffing too. I'll just give you the statistics on staffing. Drumheller has 65 permanent staff, 34 part time; Brooks has 93 full time, 30 part time; and Taber has 71 full time, 51 part time. Then we get to the budgeting. This is where you can see quite a difference in the hospitals, although they are very close in statistics. The Drumheller hospital got \$1,754,711 last year; Taber got \$1,925,998, which is an increase of \$171,000 over Drumheller; Brooks got — I'm not used to using these big figures in farming — \$1,919,080, an increase of \$164,000 over Drumheller.

Now you would think that with the difference in the amount of money they got, there certainly would be a difference in deficits or surpluses accumulated over these hospitals. Drumheller has a deficit of \$65,302, Taber has \$40,821, and Brooks has a \$216,633 deficit, which means to me, using Brooks as an example, that they got a total of \$315,700 more to run the same size of hospital as we have in Drumheller. What concerns me is the lack of having any basic formula for basic hospital care. I guess that's the thing that really concerns me quite a bit.

Just in closing, I would just like to say that I hope the minister will look into the funding. It has always been a problem to know just how much you are going to get if

you're in the hospital. There doesn't seem to be any real formula as to how it's set. I wonder if he could mention a little bit about that, or try to look into it for me.

Thank you.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPELBY: 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 purposes of the Department of Municipal Affairs: \$3,891,248 for departmental support services; \$91,397,545 for financial support for municipal programs; \$37,107,691 for the Alberta property tax reduction plan; \$9,024,824 for support to community planning services; \$13,181,240 for administrative and technical support to municipalities; \$836,417 for regulatory boards; \$300,000 for co-ordination of northeast Alberta programs; and supplementary estimates of expenditure for 1980-81 of \$9,623,000 for the Alberta property tax reduction plan — rebates to individuals.

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, tomorrow it's proposed to continue in Committee of Supply with the estimates of the Department of Hospitals and Medical Care, followed by the Department of Housing and Public Works.

[At 11:06 p.m., on motion, the House adjourned to Friday at 10 a.m.]

