

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Thursday, November 20, 1980 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

**head: PRESENTING REPORTS BY
STANDING AND SELECT COMMITTEES**

MR. TOPOLNISKY: Mr. Speaker, as chairman of the select Standing Committee on Law and Regulations, I wish to report that the committee has given consideration to the need for the following regulations established pursuant to Section 5 of The Licensing of Trades and Businesses Act, being chapter 207 of the *Revised Statutes of Alberta 1970*, as amended: Alberta regulations 190/78, 192/78, 195/78, 198/78, 199/78, 200/78, and 204/78.

The committee has concluded that the regulations are no longer necessary and should be repealed, and accordingly recommends the same to the Assembly.

head: INTRODUCTION OF BILLS**Bill 90
The Architects Act, 1980**

MR. CHAMBERS: Mr. Speaker, as the Alberta Association of Architects stands on the eve of its 75th anniversary, I think it's appropriate for me to request leave today to introduce Bill 90, The Architects Act, 1980.

It was first introduced in the spring of 1979 as Bill 31. The Architects Act, 1979, was allowed to die on the Order Paper in the fall of 1979. Using the principles contained in the government policy on professions and occupations and taking into account the submissions of various groups reacting to Bill 31, modifications have been made to the legislation previously proposed. Not only does this Bill represent these modifications, it also embodies the joint memorandum of agreement signed by the architects and engineering associations. I wish to congratulate the two associations on that historic signing. Further, may I state that this is the first legislation in Canada to embody such an agreement.

[Motion carried; Bill 90 read a first time]

**Bill 96
The Engineering and
Related Professions
Amendment Act, 1980**

MR. CHAMBERS: Mr. Speaker, I request leave to introduce Bill 96, The Engineering and Related Professions Amendment Act, 1980.

These amendments reflect agreement reached on areas of practice by the engineering and architectural professions by way of a joint memorandum of understanding. At this time, I wish to compliment and thank the Association of Professional Engineers, Geologists and Geo-

physicists of Alberta for its willing assistance in the preparation of this legislation.

[Motion carried; Bill 96 read a first time]

**Bill 93
The Workers' Compensation
Amendment Act, 1980**

MR. DIACHUK: Mr. Speaker, I request leave to introduce Bill No. 93, The Workers' Compensation Amendment Act, 1980.

This being a money Bill, his Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this Bill, recommends the same to the Assembly. This Bill provides for monetary increases in pensions, benefits, and the maximum earnings per year of a worker, effective January 1, 1981.

[Motion carried; Bill 93 read a first time]

**Bill 237
An Act to Amend The Public Service
Employee Relations Act**

MR. R. CLARK: Mr. Speaker, I beg leave to introduce Bill No. 237, An Act to Amend the Public Service Employee Relations Act. The Act basically repeals Section 93 and sets forth in its place a mechanism to determine essential services and provide for arbitration in the event of a dispute involving essential services.

[Motion carried; Bill 237 read a first time]

**Bill 95
The Interpretation Act, 1980**

MR. WOLSTENHOLME: Mr. Speaker, I request leave to introduce Bill No. 95, The Interpretation Act, 1980. This Bill will replace the present Interpretation Act enacted in 1958, which was based on an earlier model Act of the Uniform Law Conference.

[Motion carried; Bill 95 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 95, The Interpretation Act, 1980, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: INTRODUCTION OF SPECIAL GUESTS

MR. R. SPEAKER: Mr. Speaker, I would like to introduce through you to the members of the Legislature councillors from the county of Vulcan, Smokey Jones, Harold Northcott, Dave Clark, and Harold Greenfield, and the reeve of the MD of Taber, Cecil Wiest. I'd like them to stand and be recognized by the Assembly.

MR. TOPOLNISKY: Mr. Speaker, I am delighted to introduce to you and to the members of the Assembly a composite class of 21 grades 7, 8, and 9 students from Redwater school. They are in the members gallery, accompanied by their teacher Mr. Davis. I would ask that they rise and receive the warm welcome of the Assembly.

MR. KING: Mr. Speaker, in the absence of my colleague the hon. Minister of State for Economic Development — International Trade, I would like to introduce to you, and through you to the members of the Assembly, 50 grade 6 students from Waverley school in the constituency of Edmonton Avonmore. They are seated in the public gallery, accompanied by their teacher Mr. Wally Mosychuk. I would ask that they rise to receive the welcome of the members of the Assembly.

head: MINISTERIAL STATEMENTS

Department of Environment

MR. COOKSON: Mr. Speaker, as you know, Alberta Environment has been monitoring air pollution levels near Pincher Creek, in response to some concerns from local residents and their MLA, Fred Bradley. I have here today three reports that discuss this subject.

The first report includes the results of the air monitoring carried out by the pollution control division of Alberta Environment near Pincher Creek from March 1 to May 31 this year. The second is a study of the area's selenium levels done this summer by the University of Calgary's Kananaskis centre for environmental research. The third was prepared for the Environment Council of Alberta by Dr. E. McCoy, head of the pediatrics department at the University of Alberta. In his report, Dr. McCoy evaluates the health concerns of the families and makes recommendations for future action.

In the Alberta Environment report, continuous monitoring of seven different pollutants from March 1 to May 31 showed two things: first, there was no correlation between monitored levels of pollutants and written health records kept by area residents; second, the levels of all monitored pollutants were below the Alberta Clean Air Act regulations, with two exceptions that posed no health hazard.

The exceptions were for hydrogen sulphide and ozone. Hydrogen sulphide levels exceeded the one-hour regulation on three occasions, but the highest level recorded was less than 1 per cent of the level where health effects are known to occur. For ozone, the 24-hour regulation was exceeded for 92 per cent of the monitored days, but was also below the one-hour regulation. Little information is available on long-term effects of exposure to ozone, but the most recent information on short-term exposure shows that the highest level of ozone recorded in Pincher Creek was about 50 per cent of the level where documented health effects have occurred.

It should be noted that ozone levels recorded are not unusual for Alberta. Similar levels have been monitored in other parts of the province and are believed to occur naturally.

In the report from the Kananaskis centre, no evidence was found to relate human health problems to the selenium levels in the air and groundwater around Pincher Creek. The levels measured were considerably lower than air and water quality standards set by the World Health Organization. The report, which was initiated in response to residents' concerns that selenium was causing health problems, cautions that this information was collected last summer, and is not necessarily applicable to the whole year.

The third report, Dr. McCoy's evaluation of health problems in the area, states that a group of families has greater health complaints than one would usually expect.

But he goes on to say that "one would conclude from the available data, there is no correlation with gas plant emissions and health complaints of the families."

Dr. McCoy makes some specific recommendations for future action. Some of these recommendations call for further health studies on, for example, a comparison of Pincher Creek area families with a control group. Other recommendations concern further air monitoring.

The three reports indicate a health concern — the exact nature and cause of which is unknown — that basically affects four families.

Since we are talking about a matter of health, I have been discussing these reports with the Minister of Social Services and Community Health for his department's further assessment of the need for any future health studies.

Alberta Environment, for its part, will continue to investigate pollutant levels in the area. We will again send our mobile unit to the Pincher Creek area to monitor air pollution levels this winter, and we will also fund a second selenium study for the winter months. The results of these studies should be ready sometime next spring.

head: ORAL QUESTION PERIOD

Federal Budget — Alberta Initiatives

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Premier. It flows from the remarks the Premier made within the last day concerning what steps the Alberta government takes to protect the Alberta economy from the effects of the recent federal budget. My question is most specifically on the areas of the steps the government will take to encourage the petrochemical and coal mining industries.

MR. LOUGHEED: Mr. Speaker, as I advised the media yesterday after my remarks, I'm not in a position to elaborate in any way on the three items I raised in my remarks to the Edmonton Chamber of Commerce yesterday at noon. I stated that these would be developed over the course of 1981.

MR. R. CLARK: Mr. Speaker, I pose this supplementary question to the Premier: is the government considering some of the funds being committed from the capital projects portion of the Heritage Savings Trust Fund? I raise that question in light of the fact that if that is the case, will we be having some supplementary estimates this session as far as capital projects are concerned, or might we hold the session over until January or February and have some supplementary estimates then?

MR. LOUGHEED: Mr. Speaker, at the moment we haven't reached the stage of development of the policy alternatives other than in general directions to be able to reach even any tentative conclusions with regard to the source of funding. There's nothing that at the moment would warrant any delay in terms of moving forward with the capital projects division; it is more likely that the measures I referred to yesterday would be reflected in our budget next spring.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Premier. In addition to moves that Albertans can expect in the budget next spring for projects such as petrochemical industries, is the government giving consideration not to downgrading but to speeding up the

process for approval of some of the projects which are in a variety of forms between the Energy Resources Conservation Board and are on their docket now? What I'm trying to get at is: is it a matter of speeding up the process? Is that one of the alternatives the government is looking at in addition to making more money available in other areas?

MR. LOUGHEED: Mr. Speaker, the answer to that is yes.

MR. R. CLARK: Mr. Speaker, with regard to the initiatives the province is looking at as far as the coal industry is concerned, is the Premier in a position to indicate whether the initiatives at this time are looking at the province, through the Alberta Energy Company, becoming more directly involved in coal ventures in the province? Or in fact is it the government's initiative basically to leave this to the private sector, to see that the approval process is in place and working smoothly and appropriately, and then the government seeing that the infrastructure is in place when the projects that are approved can go ahead?

MR. LOUGHEED: Mr. Speaker, that's a very relevant question, and certainly the involvement of the Alberta Energy Company in coal projects in this province is clearly within their mandate, as discussed in this Legislature when the Alberta Energy Company was incorporated. But there's nothing specific at this time that I could refer to on a project basis that would be specific enough for reference in the Assembly.

MR. R. CLARK: Mr. Speaker, then, trying to stay away from the specifics of the question involved. On the matter of petrochemical and coal ventures, I take it that the Premier has said today that, in addition to seeing that the approval process is working smoothly, the government would see its major involvement in the provision of infrastructure, so that projects clearly within Alberta and Alberta's jurisdiction, outside the domain of federal interference, can go ahead.

MR. LOUGHEED: Mr. Speaker, what I specifically said in referring to that is that in terms of new economic and financial directions and policies for the province, they include: "additional encouragement to accelerate projects for petrochemicals, coal, forest products, agriculture, irrigation, and others." The nature of what we're doing really involves the encouragement to accelerate those projects. If I'm following the thrust of the question from the hon. Leader of the Opposition, one way does relate to infrastructure. I particularly mentioned transportation, but there are other ways as well. One that I have already referred to in answer to an earlier question is speeding up the approval process.

MR. R. CLARK: Mr. Speaker, one further question. Is using the full scope of the Alberta Opportunity Company legislation, which makes it possible for the government to become involved in projects on a venture capital basis, one of the alternatives the government is looking at? That portion of the Alberta Opportunity Company legislation has never been used. Is that one of the avenues the government is also looking at at this time?

MR. LOUGHEED: Mr. Speaker, that's not the present thinking of the government, although that option is

available for consideration. We are considering the need to accelerate our decision-making relative to the need for venture capital in the province. As the hon. Leader of the Opposition is aware, it has been a matter for some consideration both within the Assembly and within the select committee on the Heritage Savings Trust Fund. We do feel that the current circumstances warrant accelerating as well, if you like, the decision-making as to the vehicle that could be used for venture capital in the province that would be most helpful at this time or in the very near future.

MR. R. CLARK: Mr. Speaker, I take from the Premier's answer that the government has decided to move on the question of venture capital financing, and now it's simply a matter of doing that as quickly as possible.

MR. LOUGHEED: Mr. Speaker, that's right. In the sense of proceeding with venture capital, the government has still been unable to come to a final decision as to how — in terms of the vehicles that might be used — to assure that it is satisfactory in terms of the appropriate balance with the private sector in the province, and if at all possible, to avoid a situation where the decision-making relative to venture capital is of a civil service nature.

MR. MANDEVILLE: Mr. Speaker, a supplementary question to the hon. Minister of Environment. The hon. Premier indicated that irrigation was going to be considered in this venture. Was this going to be looking at water resource development on our water basins in the province as far as water storage is concerned?

MR. COOKSON: Mr. Speaker, the most recent announcement we've made with regard to the work of both Environment and Agriculture involves some \$300 million to \$400 million over a period of time, primarily through the Heritage Savings Trust Fund. It is an ongoing program, and we intend to continue with it. There have been no discussions, at least as yet, to expand that program beyond the terms set out in the news statement we made at the time, that some areas would be reviewed in 1985 and then we would reassess as to how much more rapidly we might accelerate the program.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could I take this as the announcement that there would possibly be some speed-up — I'm thinking of the multipurpose Eyremore dam at Bow City that's been discussed for several years now and the possibility of putting that dam in. Would that process be speeded up?

MR. COOKSON: I don't think I want to comment on that, Mr. Speaker, except to say that we are expanding our funds in the area of irrigation, both on behalf of Agriculture — and the minister may want to comment on that — as rapidly as we can in terms of resources, manpower, equipment, et cetera. We intend to continue that process. The matter of construction of further dam facilities is something that would have to be discussed in the future.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. The Premier indicated in his remarks that it is in terms of the agricultural industry. Does the Premier have studies going on through the various departments relative to the kinds of industries that can be put in place in general agriculture in Alberta and into the

irrigation areas? Will some new thrusts be initiated in the policy, is it just in the idea stage at this time and hoping that something can happen, or is there something more concrete?

MR. LOUGHEED: Mr. Speaker, I wouldn't respond to it quite the way the hon. member has phrased the question. It is a policy direction. Implementation will occur during the course of 1981. I think it would not be until well into 1981 that we could be more specific with regard to the matter raised by the hon. member.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. Would it be proposed by the government in the policy direction to make more capital available, say, to farm groups or persons to start their own processing industries or to get more into the industrial area from the production area? Would there be a thrust such as that, or would more capital be made available by the province so that whoever or whatever would like to start processing industries would be capable of doing so in Alberta?

MR. LOUGHEED: Mr. Speaker, under the current circumstances the objective referred to by the hon. member would certainly fit within the new policy directions. It will take some many months to evaluate the degree in which the constraining factor is that of any capital or government encouragement that is realistic. Those would be the parameters under which we would respond to the hon. member's question.

MR. R. CLARK: Mr. Speaker, one further supplementary question to the Minister of Energy and Natural Resources in his responsibility for forestry development in the province. Once again referring to the announcement which has been made, I would like to ask the hon. minister what areas of the province the government is looking at for expansion of the forestry operation. Is it primarily the northwestern area of the province, that vast forested area north of Peace River; secondly, the Rocky Mountain House area where on a variety of occasions there have been rather high expectations and no realization of the projects?

MR. LEITCH: Mr. Speaker, in discussions with forestry officials some time ago I urged them to move forward in planning as rapidly as possible to enable the resource to be utilized. As to what areas might come first, without having made any final decisions at the moment, certainly the Rocky Mountain area would have a very high priority.

MR. R. CLARK: Mr. Speaker, to the minister. Mr. Minister, once a decision has been made that it's economically viable to move ahead in an area — and we use the Rocky Mountain House area as an example — it would then be the government's expectation to call for proposals on much the same basis as was done in the hearings which the Member for Athabasca chaired during the last two years?

MR. LEITCH: Mr. Speaker, I don't know that I would want my response to be taken as a firm commitment to hold public hearings in all instances. There may well be occasions when it would not be necessary or appropriate, having regard to our past practices and the particular projects we may be dealing with. But generally speaking,

the answer to the question as to whether we would hold public hearings would be yes. That has been the practice when any large block of timber is being made available; we would call for proposals and have public hearings. But I wouldn't want to rule out the possibility of making an allotment in a specific instance without public hearings, because of a special circumstance.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. It's with regard to the timing of the announcement. Some time ago, when we talked about the Heritage Savings Trust Fund and the diversification of the economy of Alberta, we established that as a goal. We have differences of opinion as to whether we've reached that goal or made some advancements on it. With regard to this policy announcement that the Premier has made here, I was wondering whether we would have some type of more concrete proposals for the spring budget and maybe a time line when it seems as if we can implement the proposals in the province of Alberta?

MR. LOUGHEED: Mr. Speaker, I would have thought the timing of the announcement was relatively obvious. Quite obviously we're in a situation where both the Alsands and Cold Lake projects are likely to be involved in a significant delay. We felt it was important to communicate to the business community in the province that a great deal of additional activity was already occurring within Alberta that in an overall economic sense could take up any slack involved. In addition to that it was the view of the government that we might be in a position, as I've explained in earlier answers today, to accelerate other projects by way of encouragement. It will be our intention during the course of 1981 to follow through on that policy. Depending on the timings of the evaluation, some of it will be reflected during the budget in the spring, but not all of it will be.

Quite clearly, this is an acceleration by way of encouragement that could involve many aspects. One area I specifically mentioned is the question of our own corporate tax system, a complicated subject but one that does pose some opportunities for us. So we're facing quite a different economic scene than we were last spring, when of course we were concerned with the overheating of the Alberta economy with a very aggressive conventional oil and gas industry, with all the other things going on, the northern pipeline and the Alsands and Cold Lake projects even coming together.

Without extending my answer too much, I believe I was asked in this Legislature about the difficulties of those two projects going on at the same time. Quite clearly the province of Alberta and its economy are in a different circumstance today. As a result of that, I felt it was important to outline as early as possible to the business community — and to assure investor confidence in this province — the general new directions we would follow. As I say, in terms of implementation it would be well through '81 before we would be involved in fully meeting those objectives.

MR. MANDEVILLE: Mr. Speaker, a supplementary question to the hon. Minister of Agriculture. To date some of our irrigation districts are putting internal storage in their districts to add additional acres of water. Is the minister anticipating adding any funds to the present funds they have now for internal storage so the districts can put in internal storage within their own boundaries?

MR. SCHMIDT: Mr. Speaker, the portion of the program announced under the 15-year water management program for irrigation set aside \$100 million for the agricultural share of upgrading, and over five years, within that \$100 million, has the capability to accept from irrigation districts some of their internal storage as part of the upgrading system. The flexibility has been built into the system so the program could be escalated as rapidly as the irrigation districts themselves are physically capable of handling. So it does take care not only of those capable of speeding up their program but some internal water storage as well.

Constitutional, Energy Legal Actions

MR. R. CLARK: I'd like to direct the second question to the Attorney General. What progress has been made by the six provinces that are jointly putting together the test of the propositions the federal government has put forward in the constitutional package, and Alberta's involvement in moving ahead with those actions?

MR. CRAWFORD: Mr. Speaker, I'll just be careful in saying that going from memory with specific dates may not be precise. But subject to that, the progress is very, very good.

The first one filed was the Manitoba Court of Appeal reference. My understanding is that that will be argued before the Manitoba Court of Appeal. Of course we will be represented there by legal counsel, as will the other provinces, probably as soon as within three weeks from now. That would not be the case if at that time the court, for any reason, adjourned all or part of the proceedings. But they will actually be before the court at that time, and our legal counsel will be present.

If it is possible to hear the arguments of all the parties at that time, I would guess the judgment would follow, after having been reserved. I'm not sure how long that would take. But in the circumstances and complexity of the proceedings, I think the progress in that case would have to be called very rapid and very significant.

On the other cases, I would have to check. My most recent information is that Quebec and Newfoundland have not yet filed their proceedings, but that is pending very shortly.

MR. R. CLARK: Mr. Speaker, to the Attorney General. Will Alberta's involvement in the Quebec and Newfoundland proceedings be similar to what I understand it to have been in the Manitoba action, that Alberta will be represented by legal counsel? Not understanding the procedure exactly, will that legal counsel argue the case on behalf of the Alberta government, or simply be there in a back-up role to the lead responsibility, which I understand the government of Manitoba has?

MR. CRAWFORD: Mr. Speaker, that's a very good question because it enables me to indicate to hon. members that our position in all these cases will in fact be that of a party in the proceedings. The mere fact that they're not being conducted in an Alberta court doesn't take away from the fact that we will be there as full parties to the proceedings. That is an important thing to make clear.

MR. R. CLARK: To the Attorney General. Is he in a position to indicate who will be the legal counsel on

behalf of the province of Alberta at the Manitoba hearing commencing in three weeks?

MR. CRAWFORD: Mr. Speaker, the team of legal counsel who are prepared at present to go to court could be augmented. But the Deputy Attorney General, the assistant deputy attorney general who is responsible for constitutional law, and perhaps one other member of that section in the department would be present to present the argument. Whether any additional legal counsel is sought from the private sector is something I think would be more likely in the Quebec and Newfoundland cases than in the Manitoba one.

MR. ZAOZIRNY: Mr. Speaker, a supplementary to the Attorney General. In light of the offer by the federal government to have a direct reference to the Supreme Court of Canada with respect to the Alberta appeal on the energy issue, has the Attorney General communicated with respect to the federal government on the matter of a direct reference of the constitutional issue to the Supreme Court of Canada?

MR. CRAWFORD: Mr. Speaker, as the hon. Member for Calgary Forest Lawn has pointed out, this is a separate proceeding we're speaking of now, one commenced in the Alberta court in respect to the proposed federal gas export tax. There has been no development since about a week ago when I indicated to the House that I had a brief telephone conversation with the federal Minister of Justice and arranged at that time to provide him with copies of the constitutional reference being placed before the Alberta Court of Appeal, the documents in connection with it. No further communication from the federal government has come to me in respect to that matter.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Attorney General. I understand three questions are possibly under consideration in the hearings. Would it be possible for those questions to be tabled? I don't believe they are public at present. As well, is the government endorsing those three questions as they have been drafted?

MR. CRAWFORD: Mr. Speaker, I must be clear if I can as to whether the hon. member is asking about the Manitoba reference in which we are taking part or the reference filed in our own Court of Appeal with respect to the gas export tax.

MR. R. SPEAKER: The Manitoba one, Mr. Speaker.

MR. CRAWFORD: The Manitoba one? The documents are of course public as soon as they're filed, Mr. Speaker, and are therefore public in Manitoba. We can certainly accommodate hon. members by providing copies of what has come to us in the respective court filings.

Grain Exchange

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture with regard to the recent grain exchange set up in Calgary. Could he indicate the status of the exchange and when it will be in operation?

MR. SCHMIDT: Mr. Speaker, the grain exchange the hon. member mentions is a system whereby we hope to

increase the availability of feed grain to the livestock industry and provide a service producers of coarse grain.

At the present time, the exchange of course is going through the preliminary legal routine to see what is required from a legal point of view. As soon as that is cleared, the physical aspect of setting up the exchange itself would take perhaps another month to two months. I would say that barring the cleaning up of whatever legal impediments we have or the commitments we have to meet, we should be in operation within about two to three months.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. As I understand the exchange, it will not be handling the future markets. Does setting up the exchange have to have the approval of the Alberta Securities Commission? The second part of my question is: will this exchange be in competition with the Winnipeg Grain Exchange and the Canadian Wheat Board?

MR. SCHMIDT: Mr. Speaker, in reply to the first question, that's part of the legalities being looked into at the present time. In reply to the second, it's not the intent to be in opposition to basic grain exchanges but to provide as well an internal arrangement whereby we can keep the producer and the livestock industry hand in hand in a commodity which has been at times rather difficult to get hold of, both in quantity and quality.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate what the cost of setting up this exchange in Calgary is going to be before it's completed?

MR. SCHMIDT: Mr. Speaker, although the final cost has not been arrived at yet, we feel the cost will be minimal in regard to the physical aspects, because all that will be required is a small office and of course perhaps a battery of telephones and one or two people, to start with. As we get further into the establishment of the exchange itself, I would be in a much better position to come up with a total cost figure. But it would appear to be very minimal for the services it will provide at the present time.

Cold Lake Project

MRS. CHICHAK: Mr. Speaker, yesterday I tried to put a question to the Minister of Energy and Natural Resources and got shot down twice so to speak, so today I'm a little gun-shy. I hope I have prepared my question in a way that's going to be acceptable to you, sir.

MR. SPEAKER: The hon. lady has totally disarmed me.

MRS. CHICHAK: Well thank you, Mr. Speaker. I can feel more comfortable in putting my question to the hon. Minister of Energy and Natural Resources.

Has Imperial Oil advised the minister whether, upon receiving the \$40 million from the Alberta government or the Ottawa government, they would then be able to resume the work and carry the project through to completion, and with that then set aside their holding position insofar as any contingent on changes to be made by the federal government with respect to their energy/budget matters?

MR. LEITCH: Mr. Speaker, as I understand the situation, the \$40 million referred to in the Assembly yester-

day would be used to continue the engineering and design work, that is, to keep in place the expertise that has been assembled for this project, for a matter of some months only. With the expiration of some months, the matter would presumably be reviewed again in light of circumstances then.

MRS. CHICHAK: A supplementary, Mr. Speaker. Since the hon. minister has indicated that it's his advice that it would carry the project for just a few months, has the minister had any communication or indication from the federal government whether any support they might give with respect to the \$40 million would be by way of direct funds or through PetroCan?

MR. LEITCH: Mr. Speaker, the information I have is that the discussions regarding funding would be carried on between the project owners and PetroCan.

MRS. CHICHAK: One more supplementary to the hon. minister, Mr. Speaker. Since the announcement by Imperial Oil of having to take the holding pattern or stop work with respect to the Cold Lake project, has the federal government made any recognizable moves to resume negotiations with Alberta on an energy agreement?

MR. LEITCH: Mr. Speaker, I don't know that I could add to an answer I gave in the House a couple of days ago, to the effect that I contemplated there would be some exploratory discussions between officials of the Alberta government and officials of the federal government.

Municipal Water and Sewer Funding

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Environment is a follow up to a question I asked in the spring session of the Legislature. It's with regard to the Alberta municipal assistance grant for water.

In the spring session I raised the question to the hon. Provincial Treasurer that funds were not available to finance these programs. The Provincial Treasurer indicated that by all haste and special warrant, money would be made available to finance these programs that were proceeding at the municipal level.

Time has gone on since May, and now we're in November. I've raised the question a number of times with the minister as to when the money would be provided to the municipalities. The municipalities have had their homework done and all in place; water works and reservoirs have been completed. I wonder if the minister could indicate today when the cheques will be available for the municipalities?

MR. COOKSON: Mr. Speaker, I'm signing cheques every day for hundreds of thousands and up to millions. So we have proceeded to provide special funds over and above normal requirements in our budget for the water and sewage programs across the province. It's a very generous program. I have the support of all my colleagues to go beyond the terms of my budget, and we're processing those as rapidly as we can.

MR. R. SPEAKER: Mr. Speaker, I appreciate that cheques have been written and understand they're going out. But at the present time some local municipalities — and I'll give you a good example, the town of Vauxhall.

It's costing \$400 a day for a small town to pay the interest on the money they have had to borrow in the interim.

The follow-up question to the minister is: one, I know their cheque is in the process, but will it be there soon, before they have to start raising taxes? Secondly, will the government consider paying that interest the local municipality is paying at the present time? It is a serious matter, Mr. Speaker, and I want to urge the minister — I've urged it all summer actually — to take it a little more seriously.

MR. COOKSON: Mr. Speaker, we do take these applications seriously, despite what the Member for Little Bow suggests. That can be vouched for by the special warrants in sums we have provided for this program. The normal procedure we've always followed is that towns and villages and those that are getting water/sewer programs have a certain procedure they must follow. We lay that out as we communicate with these municipalities.

As we proceeded through the year, we found an extremely high number of municipalities had proceeded perhaps beyond their terms of reference in terms of proper procedures and signing on my behalf. We looked through the long list of applications, which were well in advance of the funds I could provide. I asked for special funds to assist this large number of municipalities, and we categorized them in terms of the time when they applied. I can only say to the member that in the case of Vauxhall it may very well be that Vauxhall, because of the timing and the way our procedure follows, was not included in that very long list. I'm certainly prepared to look at the concern expressed, but that's the situation at the present time.

MR. R. SPEAKER: Mr. Speaker, I appreciate the minister's attempt, but I know in this instant that all paperwork was in place. The question I raised with the minister was: is there any consideration by the department with regard to the interest?

MR. COOKSON: I would have to take that as notice, Mr. Speaker, in terms of advance borrowing. Of course, the municipalities can finance through the special programs under the municipal finance program's special interest rates. As to whether our own department becomes involved in advance borrowings by a municipality because of their phasing in in advance of the approval of applications, that's another matter.

MR. ZAOZIRNY: A question to the minister, Mr. Speaker. It's really a follow up to a question put to the minister some days ago. Is the minister now in a position to advise the Assembly as to the amount of financial assistance the government will be providing to the city of Calgary to assist in the cost of the requested sewage treatment facilities to remove phosphorus from the Bow River?

MR. COOKSON: Mr. Speaker, the special program we announced for phosphorus removal will involve some \$18 million over a number of years and about five municipalities. Under that special program, we will allow the municipality concerned to incur a debt of \$20 per capita, and then we as a government will pick up 90 per cent of the balance of the capital cost. Then it will be the responsibility of the municipality to carry on the operation and maintenance.

MR. ZAOZIRNY: A supplementary question, Mr. Speaker. For the benefit of hon. members, can the minister translate that formula into a dollar figure in respect of the city of Calgary and those specific facilities?

MR. COOKSON: Mr. Speaker, I don't know whether the hon. member wants me to do it here or not, but if you multiply 20 times 500,000 people, you get an idea of the debt that will be incurred by the city of Calgary. Ninety per cent of the balance of the capital cost will be picked up by the province.

MR. SPEAKER: I believe the hon. Associate Minister of Public Lands and Wildlife would like to deal further with some information previously given to the Assembly.

Grazing Reserves

MR. MILLER: Thanks very much, Mr. Speaker. In replying to a question from the hon. Member for Clover Bar yesterday regarding the Blackfoot Grazing Reserve — and I'm sorry the member isn't with us today — I had stated that we had supplied copies of the plan to the press, in fact, to the *Edmonton Journal*, the *Sherwood Park News*, and the *Tofield Mercury*. I also said that we had placed advertisements as such.

I would like to correct that statement. We did not place paid advertisements. We submitted the plans to them so they would know they were available to the public. As well, we have been able to submit 250 copies of the plan to specific user groups and individuals.

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

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS

(reversion)

MRS. OSTERMAN: Thank you, Mr. Speaker. It is my pleasant task to introduce a class on behalf of our colleague the hon. Member for Camrose, who unfortunately is ill. I've just been notified that the class is in the members gallery. They are grades 7 and 8 from the Killam public school, accompanied by Mrs. Pat Erickson, their teacher, and Mr. Lawrence Basterash, their bus driver. Would they please rise and receive the welcome of the House.

ORDERS OF THE DAY

head: MOTIONS FOR RETURNS

MR. HORSMAN: Mr. Speaker, I would move that motions for returns 130 and 134 stand on the Order Paper as listed.

[Motion carried]

135. Mr. R. Clark moved on behalf of Dr. Buck that an order of the Assembly do issue for a return showing copies of all correspondence received by the Department of Education from organizations requesting that the Alberta Correspondence School be relocated in their communities.

MR. KING: Mr. Speaker, I would like to move an amendment to Motion for a Return No. 135 by adding the words "subject to the concurrence of the authors" after the words "in their communities". I have discussed this with the originator of the motion, and he agrees.

[Motion as amended carried]

head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

207. Moved by Mr. Batiuk:

Be it resolved that the Legislative Assembly urge the government to offer more incentives to beginning farmers by establishing new or enhancing existing programs in order to offset some of the high costs of entering farming.

[Adjourned debate April 22: Mr. Mandeville]

[Mr. Purdy in the Chair]

MR. MANDEVILLE: I adjourned this debate approximately 6 months ago, Mr. Deputy Speaker. This young farmer program was just coming into effect at that point in time, and I have to say to the hon. Minister of Agriculture that it certainly has been accepted very well by our young farmers. I think it's really been going over well.

However, processing these loans has certainly been a heavy load on our loans officers. I got some figures on the amount of the loans processed and put through before this new program came in. In 1979-1980, the total year, \$28 million was put into the young farmer program. Now in the first six months this new program has been in effect, \$62 million has already been put into this program for our young farmers, which is very commendable. I would think that by the end of the year \$100 million will be put into the program, which is going to be a 400 per cent increase over the previous year. Three-quarters of all the loans that ADC processed up to this point this year have been our young farmers, who have made the applications and had them processed.

The only problem is that some of the loans that were on the books at the time I adjourned this debate still haven't been completed. It certainly has been a long time, appreciating that there has been a long list. On September 30 there were still 400 applications before the board to be processed. On October 31 there were still 270 of these applications to be processed. The loans officers in the areas have continued to be overloaded with applications. I must say that they are doing a terrific job of getting them through, but there is just too much work for them to handle with the amount of help they have to deal with these applications.

When I was speaking on this resolution last spring, Mr. Deputy Speaker, I indicated I would like to see the minister streamline the processing of these loans. At the present time, a loan first goes through the local office, then the regional office, and then the head office in Camrose. It certainly takes a long time before a loan is processed, especially if all the details aren't in at every point. I still see where many of our officers and regional directors are having problems getting all the information to the head office.

As far as our young farmer program is concerned, I'll agree that in some cases a lot of the loans should go to the board. But in many cases — as I've said, we've got

very competent loans officers in the local offices, and I would like to see them be able to process a loan right at the office. I'm sure, in many cases, they would do an excellent job of processing these loans at a local level. Possibly the minister or the ADC board could set up seminars or a method of training the loans officers so all our loans officers would be able to process some of these loans at the local level. That would certainly speed up a lot of these loans as far as getting them through, especially with interim money costing so much at the present time. I have one application that came in from my area. Two young lads down there were putting in the application at just about the time the new program came in, and they're still paying interest at the bank on interim financing. I agree and admit that some of the problem has been with the applicant; it hasn't all been with the board. But it's certainly been a long while getting the loan processed.

Another area I think we should be taking a good look at is a lot of our guaranteed loans to farmers. I think we should be taking money out of the heritage trust fund and diverting these guaranteed loans, where the interest rates are high and they're a hard debt load to service. I think we should be taking a good look at putting them under the direct loan program. I realize that some of them won't be able to be put under the direct loan program because they don't fit that particular situation. But I would sure like to see some of these guaranteed loans that are 2 per cent above prime and have been carrying on for a long time, and the farmers haven't been doing that well, brought under the direct loan program.

I'm going to be the first to admit that the staff in Camrose and the loans officers at the local level have been doing a terrific job. However, I hesitate to say, I think the minister should take a good look at the constitution of the board. I think there should be changes in the constitution of a board of this nature from time to time, just to have some new input to some of these particular areas as far as these decisions to be made are concerned.

Mr. Deputy Speaker, I would say that these loans are the first step that has really helped our young farmers. But there are other areas we have to take a good look at. For example, the price of gas is going to be increasing in the near future; we're sure of that. I hope our minister will take a good look at continuing and possibly picking up a lot of this increase under the gas program for our farmers that they have at the present time.

Another area we've got to do much work on is marketing. I can see that as far as marketing our grains this year is concerned, many of our farmers have debt loads and haven't been able to market their grain, and it's certainly creating a problem as far as the farmers are concerned. The breweries being shut down all summer have created a problem as far as marketing some of our malting barley and some of our grains are concerned. We do have the international markets, but it's a problem of getting the grain to the markets. The Crow rates — I'm not going to elaborate on that — are one area we all have to do some work to and see that we get the Crow rates into a position where the rail companies are going to be moving our grain. CN and CP made an announcement a short while ago that they were going to need \$14 billion over the next 10 years in order to upgrade the transportation system in this province so they could handle grain as far as western Canada is concerned.

One other concern I have — and I hope the grain exchange that is being set up in Calgary is a method of overcoming this — is the announcement the federal Minister of Agriculture made, putting all feed grains under

the Wheat Board. I think this is something we have to be very careful of, and see that we get our Wheat Board into full control of all our feed and cereal grains in Canada. I think it's an area we've got to give a lot of concern and consideration to.

What I would like to see happen — and I'm pleased that in his speech yesterday the Premier indicated there's going to be some diversifying, especially in the area of irrigation. I think that is something we've certainly got to take a look at as far as developing some of our agricultural land in the northern part of the province is concerned. I think that's an area where there's room for much development, and more so in our irrigation districts in the southern part of the province. Many of our irrigation districts now can't add any more acres for the reason that they don't have the water, they don't have the storage. The Eastern Irrigation District down there is an example. They are not able to add any acres. They have 600,000 acres for potential irrigation, and they're irrigating only 200,000 acres of that. If we had internal storage, or something like the Eyremore dam where we've got on-river storage, we could expand irrigation. In one irrigation district in the province we could triple it.

Another concern I think we all have is that so much of our agricultural land has been taken out of production. I was just looking at some figures from the Energy Resources Conservation Board. Every time 100 jobs are created in the oil industry, a quarter section of land is taken out of production. Up in the Hussar area — the constituency Mr. Clark, the hon. Member for Drumheller, represents — they're going to be taking out 2,500 acres of land just for wellsites in that little area alone in the next three years.

In conclusion, Mr. Deputy Speaker, I would just like to say that I would like the minister to take a good look at putting in that Eyremore dam. In consultation I realize that the capital works is with the Department of Environment. I recall that when we started discussing the Eyremore dam four or five years ago, they estimated the cost to be \$60 million. Today they estimate the cost to be in the neighborhood of \$200 million. I'd like to see the government take a good look at putting in that storage, not only on the Bow River but on the Oldman River and in any areas where we can put water storage for irrigation. We could put in the Eyremore dam in phases. We could put in phase one and store 300,000 acre-feet of water, which would be a big step in the right direction, and then add to that as time goes on.

I would like to see us get on with diversification of agriculture in this province, because I can see down the road that agriculture is going to be our number one industry. We see and hear so much right now on our oil and gas in this province, but I'm sure it's not going to be long until we have to look at putting this money we're taking out of a non-renewable resource into a renewable resource, into agriculture. Two areas that I suggest we do it in are irrigation and developing some of the northern part of the province.

Thank you, Mr. Speaker.

MR. PENGELLY: Mr. Speaker, I welcome this opportunity to join in the debate on Motion 207, which was presented by the hon. Member for Vegreville. It urges the government to offer more incentives for beginning farmers by enhancing existing programs to offset some of the high costs of land and machinery.

Mr. Speaker, the Agricultural Development Corporation has really been a success story. For the fiscal year

ending 1980, 5,235 direct and guaranteed loans amounted to \$131.3 million. I realize that since this motion was brought in last spring, a lot of changes were made. The beginning farmer program on April 1 — the incentives offered then were indeed a great help. No longer is the loan dependent on the assets of parents. All that is now required is that an individual have a combination of farm experience and 10 per cent equity by way of cash or kind. The maximum amount of the loan was raised from \$150,000 to \$200,000. The loan plus assets has been raised from \$225,000 to \$300,000. In addition, the rebate incentive was raised from 4 per cent to 6 per cent, if the beginning farmer meets that objective of the program.

Mr. Speaker, it appears there's little left to do. But with the escalating cost of land and high interest rates, it's really difficult for the beginning farmer to get a start, especially when land is selling at \$1,000 to \$1,500 per acre. I have two areas of concern that might best be explained by example. I still think there is something more we can do with incentives.

I have a constituent who wanted a loan to build a dairy barn. At that time, two years ago, he went to ADC — by the way, he was also building a house. They told him he'd better come back when most of the house was paid for. He did. And when he made the second application, he was turned down because his assets were too great. The irony and unfairness of the whole thing is that had he bought land 15 miles farther east of Innisfail, he would have qualified for the loan.

Now he's employed off-farm, and has no assistance from his parents in purchasing the land he does have; he's built this up by himself. I think we could help him if the amount of assets a beginning farmer can have were raised because of the high cost of land and machinery to qualify him for the beginning farmer loan. Perhaps there should also be a definition of a beginning farmer.

Secondly, Mr. Speaker, we are not helping some farmers between the ages of 18 and 20 because they do not have the 10 per cent assets in cash or kind. I'm referring in particular to one young farmer, although I have been approached by many, and their situation appears to be about the same. He's finished grade 12. All his life he has worked on the farm with his dad. He knows how to operate machinery and to feed cattle. He's big and strong and knows how to work. He has a strong desire and ambition to be a farmer. He has the opportunity to buy a farm at a very reasonable price from a widowed grandmother. Now his problem is that he doesn't have 10 per cent in assets, cash or kind. Because of the opportunity this person has to take over a farm with cattle and machinery, and because his father, who is a small farmer, can't really help him, I really feel they perhaps should give him a loan without any down payment. What money he does have could be used as capital to get his crop in in the spring. Now it may be argued that these are very special and unusual cases, but all the more reason we should try to find a way to assist these who are caught in that trap.

Mr. Speaker, I would urge all members to support this motion. We must never forget that agriculture is still the basic industry of this province. Thank you.

MR. CAMPBELL: Mr. Speaker, it gives me a great deal of pleasure to rise today and speak on Motion 207, submitted by the Member for Vegreville.

Land is one of Alberta's great natural renewable resources. It is estimated that 50 million acres are utilized in crop and livestock production. Approximately 28 million

acres are as yet uncultivated. It is also estimated that an additional 22 million acres could be broken and added to farmland inventory. With so much prime land, it is not very surprising that Alberta has developed a highly productive agricultural economy.

Alberta accounts for 20 per cent of total Canadian primary agricultural output. Export marketing of agricultural products is of considerable importance because of the small regional population. There is an ever-increasing demand for Alberta to produce a variety of agricultural commodities. Escalating land costs and interest rates have made it increasingly difficult for beginning farmers in Alberta today.

It's with interest we note that we had submitted to the Assembly, from the Member for Grande Prairie, the Northern Alberta Development Council study entitled a Profile of Part-time Farmers in Northern Alberta. It's an interesting document that points out the need for off-farm work by almost half of those farming in northern Alberta.

Some of the results of this particular study find that most northern part-time farmers view off-farm employment as a necessary means of raising capital required for full-time farming. Part-time farmers have played an increasingly significant role in the agricultural sector. In 1961 the number of part-time farmers was approximately 19,125. By 1975 this had increased to 21,221. There were 35 part-time farmers interviewed in this particular study. Thirty-two were married, between the ages of 34 and 44, while 53 per cent were in the 23 to 34 age bracket.

Young men have been entering part-time farming at a continuously increasing rate. Part-time farmers with the highest off-farm income had the lowest farm income. That's an interesting point. Fifty per cent of total gross income came from off-farm employment. Another point is that one-third of the farmers interviewed began their working careers in another profession before establishing themselves in farming and continuing in both occupations.

There are a few characteristics in this. The trend is toward larger but fewer farming units. On average, part-time farmers worked five months of the year on the farm. Time spent was directly related to the type of farming. Grain farm operators put in most hours in spring and fall, and cattle farmers worked periodically year-round. The majority of farms are family operated. Most part-time farmers desired to farm on a full-time basis but were hindered by, one, escalating northern land costs; two, inability to qualify for Crown grazing leases; and three, inability to qualify for ADC loans because they must demonstrate an ability to farm on a full-time basis.

The government, recognizing the need to provide incentives to beginning farmers, has established a variety of programs to offset the high cost of entering farming, and another to expand the use of training programs such as the green certificate program. On March 26, 1980, the hon. Minister of Agriculture issued a ministerial statement outlining details of a new program to assist beginning farmers in Alberta. There were some other criteria for this particular program. There was a once in a lifetime loan, the maximum loan of \$200,000, and an upper limit of \$300,000 on loan plus assets. There was a preferred interest rate of 12 per cent for the term of the loan, with a 6 per cent earned interest rebate for the first five years. The applicant had to show some experience and repayment ability. Further farm program modifications: they brought in a direct loan program. Of course it's been in for some time. It provides for financing on a preferred

interest basis for those individuals presently engaged in farming. The direct loan program provides assistance to primary producers, with long-term loans at a preferred interest rate of 12 per cent.

Update on the beginning farmer program. Since April 1, 1980, the Alberta development council has processed 434 beginning farmer applications, resulting in \$62 million being spent on loans. These figures represent a three-fold increase over those of last year. This might be noted: as compared to other western Canadian jurisdictions, Alberta offers the lowest interest rates and the highest maximum loans.

The green certificate farm training program — it outlines it's Alberta Agriculture in co-operation with Alberta Advanced Education and Manpower. The hon. Member for Medicine Hat established the green certificate program. This is an industry-oriented program, its goal being to train and qualify individuals according to ability, aptitude, personal preference, and, as number one, general farm workers, farmers, herdsmen, or owner-operators. At present 150 persons are registered in that program: 97 at level one, 32 at level two, and 21 potential farmers at level three. Given the increase in complexity and sophistication of farming operations, it would appear self-evident that thorough and practical training is necessary to ensure the success of future farmers.

I'd like to point out a few things. One, the average age of farmers in Alberta is 47, and only 4 per cent of Alberta farmers are under 25. In order to lower the age and increase the number of young farmers, which would ensure the contribution to the future of agriculture, young people must be given incentives to induce them to venture into farming. Continuing high costs dissuade many potential agricultural producers. Farm operating expenses and depreciation charges were up 16 per cent in 1979. As we are all aware, interest rates are at an all-time record high. The farmer is greatly affected by them. For example, one chartered bank suspended its five-year rate on farm loans and now offers only a one-year term at 1 per cent above the NHA rate, 17.75 per cent on April 15. Treasury branches offer preferred rates to farmers, averaging 0.5 per cent below the prime lending rate. Even at these rates, the high cost of financing, land costs, equipment, et cetera, make starting out in farming exceptionally difficult, if not virtually impossible.

Continuing along with the Northern Alberta Development Council, a recent report pointed out the escalating northern land costs, the inability to qualify for these grazing leases, and that 53 per cent of part-time farmers are in that particular age bracket.

In light of the above-mentioned information, Mr. Speaker, the government should be commended for its contribution to the development of agriculture in the past. However, it must also be stressed that there is an increasing need to assist beginning farmers in view of the economics of the agricultural situation in Alberta.

Thank you.

MR. FJORDBOTTEN: Mr. Speaker, it's a pleasure for me to enter the debate today. I certainly commend the hon. Member for Vegreville, who brought this motion forward last April.

Since this motion was brought in a lot of things have happened. Discussing more incentives for beginning farmers and everything is important, but I think it's always important to discuss agriculture wherever you have the opportunity, because it is the base industry that we have in the province and it's going to be here for a

long time.

When I look at the motion, there are some key words: one, "beginning farmers"; the second, "offer more incentives"; and the third, "enhancing existing programs". All of us here today who are farmers were at one time beginning farmers. When my dad started farming, he rented land and continued to work out until he finally owned his land and had a viable unit. When I started, I rented land and worked out. I don't think the working wives out there are mentioned very often. I know we lived on what my wife made, and we put everything we made on the farm back into the farm. I'm sure that's being done by a lot of people today.

My brother was quite a bit younger than I was, and he's starting out. He rented land and is working out, and his wife is also working today and bringing in money that will put the farm on its feet.

You know, when I read this document from the hon. Member for Grande Prairie, who is chairman of the Northern Alberta Development Council, I think a couple of striking things are in that. It says that 'of the 35 part-time farmers interviewed 32 were married'. I'll bet you the 32 who are married are probably doing better than the other three who aren't. It seems that when a man and wife are working together on a farm, there's something about getting out there and doing things together in the soil, or whatever you're doing. It makes it... [laughter]

AN HON. MEMBER: I don't think that came out right.

MR. FJORDBOTTEN: I'm a farmer, and I call it the way I see it.

Part-time farmers, with the highest off-farm income, had the lowest on-farm income. That shows that the ones who were working off-farm were probably holding down good jobs and didn't have time to really devote their energies to the farm. So that's why I think the beginning farmer program to allow the young farmers to build a viable economic unit is always something special, when you consider that when they work there, they can have a good unit in the future.

It says the part-time farmers account for about 40 per cent of northern Alberta farmers. I don't know what the percentage would be across the province, but I suggest it would be nearly as high. Most northern Alberta farmers, it says, view off-farm employment as a necessary means of raising capital required for full-time farming. They have the drive and the interest to want to be full-time farmers.

I won't say too much about the ADC program, because the hon. Member for Innisfail laid it out very well, very factually. I think some upgrading can be done in that particular program. I don't think anything is ever made by human hands so well that it can't be improved, and I'm sure some streamlining can be done on that.

Everything we do should help and induce people to go into farming. But you know, not everybody makes a good farmer. You can have all the incentives you want, but still you've got to have that love of the soil and that interest. Good cattlemen have told me that if you want to be a good cattleman you've got to be able to think like a cow. I really don't know if that would be true. But I know that when I ride on an airplane I can tell whether the pilot's good or not, because the airplane just seems at one with the pilot if he's good. I think it's the same with the soil. You've got to have a love of the soil. You can go out in the spring and pick up a handful of fresh dirt and it

smells sweet. You've got to have that feeling for the soil, and you've got to have a love of it in order to be really successful at it. If you don't have that desire, I don't think all the incentive programs or anything you do to enhance things are going to go that far.

I'd like to say a bit about the railroads. We talk about the railroad opening up the west, and it certainly did. But now the railways, the rail policies, the strikes, and the freight rates are causing a lot of problems. We need to address that issue and upgrade our transportation, not only by rail but by roads and everything else across the province.

Another thing I think we should be working even harder at is rehabilitation of land. I know the hon. Member for Wainwright has a great interest in this. Everything we do today can be overproduced. We can have too many cars, too many houses — we have too much of a lot of things. But one thing there isn't much of is land. It can't be overproduced because the good Lord isn't making any more land. We have to rehabilitate and wisely use and take care of that land we've had. I think that's the greatest incentive for the future. If farmers on land at the present time are using it wisely, it can be passed on to future generations.

Another thing I think we should be doing is processing more of our products here. You know, we can grow all kinds of products, but our processing needs to be greatly upgraded. We should have an aggressive marketing policy. It's something we shouldn't leave to others, or throw rocks at anybody else and say, they should do this and the other thing. That's something I think we can put our hand to and take on through.

I'd just like to compliment the Minister of Agriculture a bit for the ADC program and how he's been working with the ADC board to try to improve on a number of areas. When you come out with something like that and you have that volume of applications, there are always going to be a few problems. I think that is something we have to look at and try to streamline even more in the future.

Thank you.

MR. THOMPSON: Mr. Speaker, like the previous speakers, I feel this is an important subject to discuss here today. I'd just like to mention that the three speakers before me are members of the caucus committee on agriculture. That goes to show the dedication members of that committee have to agriculture.

I think it's actually becoming a cliché to say how important agriculture is to Alberta. There is hardly a person in this province who doesn't recognize that fact, so I really won't start listing what makes it important to Alberta.

One of the previous speakers mentioned that the average age of the farmers in Alberta is 47. It wasn't many years ago that it was 59. I think the programs we have brought forward in Alberta in the last few years — that's a dramatic change. It's something maybe we in agriculture are too close to; we don't see the forest for the trees. But I think we are making great strides in encouraging young people to get into the industry. Like the previous speakers, I believe that this beginning farmer program we've just brought in, that is taking a couple of the restrictions out of it, has really helped get young people interested in the farming business.

I'd like to give a little rundown on agriculture in general, and then maybe a couple of comments on how we could encourage young people get into the industry.

When I first started farming, we had real problems with markets. I'm talking about grain farming now. It seemed like we could raise a lot of grain but no one wanted to buy it. In the last couple or three years, maybe a little longer, that has changed dramatically. It seems now, as far as world markets are concerned, that just about anything we raise can be sold. In fact if the newspaper reports are correct, we could sell a lot more than we are. So that is one cloud that used to hang over agriculture that is no longer there, at least for the present.

Another point that I'd like to make in that area is production. Our grain production has increased dramatically in the last few years. Some things that have caused that have been the increased use of fertilizer and herbicides, less summer fallowing being done these days, and of course more acres put into crop every year. I think another thing that has made a dramatic difference is the increase in power equipment that we use. It seems people are getting their crop in at the optimum time nowadays and getting it off, which is equally important. So there is no doubt that we have increased production dramatically and the markets are there if we can get to them. Those were the things which probably the farmers in the first 50 years of agriculture in this province wrestled with more than the problems we have today.

We have problems today that are just as important as the ones they had in the past. I can see problems that will be coming up in the future. One is increased costs of fuel, fertilizer, and farm equipment. I'd like to get a statement across this afternoon that the Minister of Agriculture tried to get into the question period the other day, and I've heard him say it many times. It is the fact that Alberta farmers have the lowest cost farm fuel of anyone in North America, and this government is determined to see that that advantage stays there. Now that doesn't mean we're going to continue at the price we have today, but the very fact that there is a competitive edge there — and it doesn't matter whether they're farming in Ontario, Kansas, or where. The price of fuel to a farmer in Alberta is one of the main costs of production. If we always have the lowest cost fuel in North America, we have a competitive edge in that area. I think that's a very important thing for the people of Alberta to understand.

Of course fertilizer is going to go up too. As natural gas goes up — and it's one of the components of nitrogen fertilizer — we're going to have to wrestle with that problem. And farm equipment has increased dramatically over the years, over the last 30 years that I know of. The way some of these farm equipment companies are getting into trouble, there is no doubt in my mind that we're going to see that factor increase, because obviously they're going to have to increase the price of farm machinery so they can run in the black. So there are some problems we're going to have with increased cost.

[Mr. Speaker in the Chair]

Several of the speakers alluded to grain transportation and the movement of the product. Well, the minister sitting across from me has been wrestling with that problem. We have to face reality. We are working with both the federal government and two or three other provincial governments in this area. Until we get agreement — it's something like the constitution; everyone has to agree to it before you can get anywhere in this area — we will still have problems with transportation. But remember, we have been a leader in a couple of areas. When it comes to the port of Prince Rupert on the west coast, I think this

government played a major role in pushing and supporting that project. There's no doubt that four, five, six years down the road, it's going to make a dramatic difference in the handling of grain. It can't help but do it because it's going to increase the capacity considerably.

Another thing we've done: there was no problem in this province in supporting the purchase of hopper cars. You can argue if you wish that it really wasn't our responsibility. Maybe it wasn't. Maybe it's the railroad's responsibility, or whoever. But we were prepared, as far as Alberta Agriculture is concerned, to get into that area. I think that is encouraging to anyone in agriculture, beginning farmer or otherwise.

Cash flow is another problem the farmer in Alberta has today. The Member for Bow Valley mentioned that. Historically, the farmers used to put in their crop in the spring. The different suppliers used to carry them until the fall, then they'd harvest, take their crop off, and pay off the suppliers. The way interest rates are today, and will be in the future, these farm suppliers cannot really carry the farm community as they've done in the past. Therefore it's imperative that an increased cash flow is going through the agriculture community to these suppliers so they really can stay in business and support agriculture. So these are some of the problems agriculture has.

I'd like to talk now a little about the way we as a government can help young farmers. Two or three members alluded to the beginning farmer program, so of course I'm not going to repeat what was said. I think it has been covered very well. There are a few problems in it. There's bound to be administrative problems getting any new program that is put into effect, that is popular and in demand, on the track and successful. I guess the quicker we can get out the bugs that are there, the happier everyone will be, including the government. But let's be realistic; the thing we are doing is realizing a need and responding to the need. We do have a few problems in the program, but I'm sure it will smooth out down the road.

Another area I'd like to talk about — and I don't think the Legislature or the public in general is aware of what we're doing here — is availability of land. The Member for Macleod mentioned that there is only so much land. Well, that's true. You can underline that when you're talking about agricultural land. There's only so much agricultural land in Alberta. I would like to commend the Associate Minister of Public Lands and Wildlife. I was just going through his annual report. It says in the report he sent to the Heritage Savings Trust Fund:

In the current fiscal year, it is expected that about 1,700 quarter sections will be posted for agricultural disposition. Of this . . . 230 quarter sections will be posted in units for new settlement.

We all have heard many times about how developers, the cities, and industry are gobbling up agricultural land. But we very seldom look at the other side of the coin and see that the government of Alberta is putting more land into protection every year by far than is being taken out. Availability of land, to some extent, will help young farmers to get an opportunity to buy land. So I really think the government, and the minister especially, should be commended for this program of making land available for young farmers to acquire.

Another area, which the Member for Spirit River-Fairview used to rave about, is the fact that all these foreigners are buying Alberta land right out from under Albertans. I was going through the minister's annual report. I usually don't read these things, but I just

happened to stumble onto this. It's on page 73. I'd like to read this into the record. This is the area acquired by foreigners and the percentage of total rural sales. In '75-76, 59,000 plus acres were acquired, and this was 2.4 per cent of total rural sales; '76-77 was 166,682 acres, and 5.6 per cent of sales. When the government put in the Act on restriction of sales to foreigners in '77-78, it dropped, it went down. There were 31,800 acres, which is 12 per cent. In '78-79, we had 56,250 acres, which is 0.02 per cent; in '79-80, 6,392 acres, which is 0.02. So from my point of view at least, the government has been very successful in restricting the sale of agricultural land to foreigners. There is not the same competition for young farmers to start and acquire land for farming, because there is less competition from outside buyers.

Mr. Speaker, I would like to conclude by saying, if I can find where I was concluding . . .

AN HON. MEMBER: Toward the end.

MR. THOMPSON: Toward the end, yes. I'd just like to say that the resolution we're talking about today says young farmers need an incentive to start farming. In my estimation, young people in Alberta do not really need an incentive to farm. Many of these young people want to follow in their fathers' footsteps. They feel it's a good way of life. We really just have to give them an opportunity to be successful in the industry.

Thank you, Mr. Speaker.

MR. WOLSTENHOLME: Mr. Speaker, I'm kind of pleased to speak on this motion, particularly after hearing the hon. Member for Cardston talk about the incentives; that they don't need the incentive to get going as far as their physical outlook is concerned because there are a lot of good things about farming. It's a good life. As an ex-stubblejumper, I would have . . . Yes, the hon. Member for Calgary Millican pounds his desk over there. When we were down in Saskatchewan on a trip . . . He comes from the same part of Saskatchewan as I do. How two people such as us could come from the same part of Saskatchewan, I don't know. I won't repeat some of his stories, I guess any more than he would repeat some of mine. Anyway, it was quite an experience.

To get back to the motion, when I was campaigning, funding for beginning farmers was one thing that came up quite often. If there happened to be a group present the argument that always developed was: why farmers; why not the beginning contractor, beginning young businessmen, or something to that stage? The young people interested in farming would always say, yes, but how much of what you're doing can you eat? [interjection] If you want me to argue, you have to get on a different tack than that.

Actually, they're right. With so much agricultural land going under concrete jungles, asphalt, and what have you, we need all the agriculturally minded people we can get to take part in agriculture. We need to have all the stumbling blocks removed that prevent them from getting into food production. So we must do all we can to assist them.

I was very pleased this spring with the program the hon. Minister of Agriculture brought out. I know some of the young farmers in my area who were able to take advantage of this program. They are now able to make a worth-while contribution to the production of food. In my view, we're going to be responsible for feeding a good many hungry mouths in this world not too many years down the road.

Quite a few young people in my area are now returning to the farm. They are doing a good job. They returned to the place where they grew up and, because of economy of farming, they left. A few years ago in my particular area the average age of the farmer was middle-age or more, but now it's nice to see the young people. They add a refreshing look to a community. They add all the zest and vitality and make a community much more alive, much better to live in. Many of this government's programs have made it possible to get them back on the farm, but that's not to say more couldn't be done.

Hearing the hon. Member for Macleod talk about the sweet smell of earth and so on kind of reminds me of my youth. The smell of alfalfa still . . . [interjections] It doesn't smell good. I remember the first time I worked on a farm. My brother and I contracted out to do the work of one man, to put up some alfalfa. That was in the dirty 30s. Even today, whenever I see or smell alfalfa, I get hot and weary. Another memory — I still get itchy as all get-out when I see barley being harvested. I can remember being up in a loft of a barn trying to move the straw back when three fellows were throwing it in the other end of the machine. I couldn't seem to keep it out of the way and that blower seemed bound to bury me. Anyone who has never had barley straw inside his shirt, around his waistband, up his legs, and in his boot tops, doesn't know what he's missed when it comes to itchiness.

Those are some of the unpleasant memories. There are many pleasant memories. The smell of new-mown hay, leather on horses, and the sweet smell of cow's breath; that is, as long as they haven't been eating . . .

AN HON. MEMBER: Which end?

MR. WOLSTENHOLME: It's easy to tell that some of my urban comrades do not know which end a cow breathes from. The cow's breath was sweet as long as she hadn't been eating . . .

AN HON. MEMBER: Stinkweed.

MR. WOLSTENHOLME: . . . stinkweed. Then, even the milk had an unsavory smell to it. But I guess I'd better quit reminiscing or I'll be here most of the afternoon. If some of those programs had been available in those days, I would likely have been a farmer instead of a jeweller.

AN HON. MEMBER: In Saskatchewan.

MR. WOLSTENHOLME: Yes, likely back in Saskatchewan too. However, I guess everything works out for the best. Yes, we've come a long way from those days, but let's continue to support agriculture to the best of our ability.

Thank you.

MR. SCHMIDT: Mr. Speaker, I would like to take the opportunity to congratulate the Member for Vegreville for introducing Motion 207, and all hon. members for their participation in the motion itself and interest in agriculture, especially the beginning young farmer.

Since the resolution was introduced in the Legislature, we have had the opportunity to introduce the new beginning farmer program administered by the Agricultural Development Corporation. I would like to take just a moment to report the results of the new program to you. The new program came into effect on April 1 this year. Other than changing the amounts of the moneys available

to an individual who wished to start as a beginning farmer in agriculture, the most important factor to me is the withdrawal of the beginning farmer program from the lender of last resort aspect of the Agricultural Development Corporation, and what it's meant to agriculture in this province in regard to the number of beginning farmers making applications entirely on their own. Just as a refresher, the amount of money available to a beginning farmer is \$200,000. The loan plus the assets for a maximum of \$300,000. I would like to impress upon all members the degree of flexibility that is built into the program so that the majority, whether they be male or female who are making application for a start in agriculture, can be helped under that one existing program.

Since April 1 — in other words, in the last six months — we've had the opportunity to approve over three times as many beginning farmers than were handled in the last three years. In other words, 80 per cent of all the applicants who are now handled through the Agricultural Development Corporation are beginning farmers. As of mid-October, in a six-month period, 613 applications had been handled for an amount of \$80 million. Of those 613, 80 per cent were beginning farmers. In other words, we have now provided funds to 434 beginning farmers. If those numbers continue, at the close of our fiscal year, the end of March 1981, we estimate 1,300 new beginning farmers will have been helped by the new program; 1,300 new individuals in the agricultural industry who not only add to our productive capability, but an opportunity to draw from the knowledge and capabilities of their peers who will be leaving agriculture with the opportunity of knowing there is some young chap — either he or she — taking their place as they leave. That influx of young blood into the agricultural industry is one of the main reasons the average age of farmers is continually dropping in this province, certainly a factor one should be very proud of.

What happens to a group of individuals — in other words, those who make up the Ag. Development Corporation — when a new program is instituted? In this particular case, the sole lender and provider of funds to beginning farmers and the sheer number that arrive with their applications and what it does to a group. In the last six months 12,400 interviews have been held, and the majority of those are potential beginning farmers and those who also would qualify for the areas of direct lending under the other programs of the Ag. Development Corporation. A backlog of beginning farmers that over the winter had made some commitments had the opportunity to look at potential farms and, knowing that perhaps some changes were being made early this spring, withheld any application until the new policy was instituted and announced and, of course, swamped ADC with applications.

One can look back over six months to see the workload that has been handled. The 12,400 applications, of which over 10 per cent of the interviews have been held on-farm, would give you an indication of the workload that had to be met. As of mid-October, the addition of six new candidates as loans officers for the first time brought us up to a full commitment of 50 loans officers throughout the province. Of those 50, 18 are less than three months old and another seven are newer than 12 months. Mr. Speaker, it takes time to train people to handle the applications before us, and I would have to say that the number of applications handled to date certainly is an indication of the extremely heavy workload. I would like to compliment the ADC staff for handling those numbers

to date and bringing the backlog, which has built up over the summer, back to a normal backlog as of the end of September. It was something that can be handled quite easily.

Mr. Speaker, that is basically a program for beginning farmers. That's just a small start in what Agriculture can provide and has provided for all those new beginners: the acquisition of the land and the opportunity to start a life in agriculture; the opportunity for the department to look to his or her future, to provide the opportunities of marketing, upgrading themselves through extension, winter courses, and the many, many other aspects that are the responsibilities of not only the Department of Agriculture but this government.

Mr. Speaker, in light of the hour, I would leave the remainder of all those aspects one would like to add and, in closing, say I'm very pleased with the reception of the beginning farmer program and look forward to working with a group of new farmers and helping them in any way we can.

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

MR. SPEAKER: The debate has actually ended, with the effluxion of time. It will be a matter of recognizing whomever rises first when the item is called again.

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

Bill 206
The Conflict of Interest Act

MR. R. CLARK: Mr. Speaker, I rise to move second reading of Bill 206, The Conflict of Interest Act. Members will recall that the discussion with regard to conflict-of-interest legislation is certainly not new in this Assembly. If my memory serves me accurately, during the previous year I moved Bill 203, which was basically the same piece of legislation I'm proposing to members of the Assembly to consider today. Also, the Member for Spirit River-Fairview moved a motion dealing with the question of conflict of interest or that broad general area.

Mr. Speaker, I put this Bill on the Order Paper for two reasons. One, my colleagues and I see this question of conflict of interest as a matter of considerable importance. In the course of my remarks this afternoon, I don't plan to remake the arguments by me or others who took part in the debate almost a year ago. What I do urge members to seriously consider is once again the question: don't we need to move in some direction on the question of conflict of interest further than we have to date?

After touching very briefly on the main aspects of the Bill, Mr. Speaker, I want to indicate to the members what I believe was a rather significant move in the course of last year as far as conflict-of-interest action taken by a government in Canada. I looked around, and could have selected a number of examples where governments of various stripes have moved forward on this question of conflict-of-interest guidelines. I tried to select an example that would find the members on the government side of the House in a very congenial and certainly very open frame of mind. So the example I plan to refer today in the latter portion of my remarks is the August 7, 1979,

release from the Prime Minister's office. The government at that time outlined what I judge to be perhaps the most stringent conflict-of-interest guidelines I have seen; far more stringent, Mr. Speaker, than the guidelines included in the legislation that I propose before the House today. Of course members of the Assembly will remember that at that time the Prime Minister was not the present Prime Minister but Mr. Joe Clark, a native Albertan who is now the Leader of the Opposition in Ottawa. Perhaps I should make just one other connection. He is of the same political persuasion as the government, and I note that a number of individuals in the House — and I say this seriously — were certainly instrumental in that gentleman becoming the leader of the party he leads today and, I hope, will continue to lead for some time.

Mr. Speaker, in dealing with second reading of the Bill, basically the Bill attempts to set out conflict of interest for members of the Legislative Assembly and some very reasonable exemptions, conflict of interest for ministers, conflict of interest for executive staff members, conflict of interest for deputy ministers, conflict of interest for heads of Crown corporations and government agencies, and then exceptions; then deals with individuals who are former MLAs, former ministers, and with the question of disclosure, the transfer of assets to one's spouse or a member of the family, divestiture, and enforcement.

Mr. Speaker, let's recall for a moment the debate we had previously in this Assembly. As I've said, the Bill outlaws conflict of interest among present and former MLAs, ministers, deputy ministers, executive staff members, and heads of Crown corporations and government agencies. These conflicts are clearly not acceptable. If I recall the discussion we had in the House on this issue last time, the arguments presented were basically that we didn't need it, we already have the kind of legislation that deals with conflict-of-interest problems, and it's unworkable. Now it's not my intention this afternoon to go back over those arguments, but I want to say to members of the Assembly that the Bill outlaws what I consider to be unacceptable conflicts of interest with the various groups I've already outlined.

I believe the kinds of behavior prohibited by this Bill are areas of self-evident or certainly potential conflicts of interest; that is, they place the individual in a situation where his or her responsibilities, authority, or information acquired in public office are liable to be used to promote a private interest in conflict with the public interest. Further, I believe it's self-evident that such conflicts of interest are improper. Finally, I believe it is self-evident that if we accept that such conflicts of interest are improper, where we see they in fact have occurred, it's essential that we take some steps to move in the direction of placing them — be it this Bill, Mr. Speaker, or be it guidelines from the Premier's office or a future Bill from the government side of the House. Frankly, I'm not too interested in who gets credit for the move in this direction. But it certainly seems appropriate to me that we move in this particular direction.

Mr. Speaker, moving on to what's happened in this area of conflict-of-interest action during the past several months, I would say to hon. members that when one looks at the announcement that came from the office of the Prime Minister of Canada on August 7, 1979 — and I'd just like to read very, very briefly from that announcement.

New conflict of interest guidelines have been issued to all members of the Cabinet by Prime Minister Joe Clark.

They take effect immediately.

The new guidelines are [considered tougher] than those applied under the previous administration.

Then, Mr. Speaker, I'd like to touch on five areas that the Clark administration in Ottawa felt were appropriate to put in the guidelines at Ottawa as new features; in other words, new features from the standpoint of going further than the guidelines for federal cabinet ministers at this particular time. I make the point I made earlier that the guidelines included for the cabinet ministers and senior members of the bureaucracy of that time were certainly more stringent than the ones proposed in the Bill that I put forward. The first guideline is that:

The guidelines apply to spouses and children of Ministers, as well as to Ministers themselves, in order to ensure that assets of the entire family unit are covered.

Frankly, I think that's going far further than the legislation my colleagues and I propose. Certainly we had made the decision that we didn't think conflict-of-interest legislation should go to that extent.

Ministers may no longer place assets in a "frozen trust", a device under which the beneficiary may not control the assets but continues to know what those assets are.

The third proposition put forward by the federal Conservative government at the time was that:

Assets which must be sold or placed in a blind trust are defined to include large amounts of foreign [capital]. The list also includes larger loans to persons outside the Minister's family.

Fourthly:

Rules for blind trusts are expanded. Trustees must include a government-designated trustee, chosen from among a list of recognized trust companies, who would be particularly responsible for ensuring that operation of the trust meets the guidelines and who, in that role, would have the conclusive vote in any decision of the trustees.

Fifthly:

Gifts of a value exceeding \$100 received by a Minister or family member from someone outside the family must be disclosed within 30 days.

Mr. Speaker, I'm not suggesting we should go that far in conflict-of-interest legislation. I recognize very frankly the possibility that the Bill we're discussing this afternoon is not going to be received enthusiastically by members of the government. But I raise the matter again today, even though this is the third time in a year and a half that we've had this discussion, because it seems to me important that we recognize — even though we hear the arguments in this Assembly that conflict of interest is no problem in this Assembly — that virtually every other province in Canada has moved in this direction. The Trudeau government put in guidelines. The Joe Clark government came along and put in certainly far more stringent guidelines than are suggested in this Bill before the House today. Mr. Speaker, I think we are being less than frank with ourselves if we in Alberta, despite the very best intentions of members on both sides of the House, don't recognize that sooner or later — once again, with those best intentions — we will find ourselves in increasing difficulty unless there are very clearly spelled out conflict-of-interest guidelines. Frankly, I prefer to have those guidelines in the form of a Bill. That's why we've gone forward in this manner. The government at Ottawa, in fairness to them, went forward in a different manner, in effect a directive from the Prime Minister.

As I conclude my remarks here, I simply say to members of the House that I'm not suggesting for one moment that this legislation will stop all wrongdoing. That's impossible. But to state clearly, as far as possible we should have the guidelines in place. What is wrong, Mr. Speaker, is that the public see that we have the rules clearly spelled out. The public must see that we give some sort of official sanction to such a statement, so that it gains legitimacy in their eyes and ensures that certain consequences will follow if people are found to be in violation of the law.

Mr. Speaker, we're all human. We can all make mistakes. Let's not get bogged down in either praising or condemning governments of the past. I'm not suggesting extreme penalties for innocent mistakes; neither should any government member be so sanctimonious as to suggest that public officials are above error and therefore above the law. We should be setting an example for the public, not inviting difficulty between ourselves and ordinary people.

MRS. FYFE: Mr. Speaker, I agree with the mover of this Bill, the Leader of the Official Opposition, when he says this matter is of considerable importance. No doubt each member of this Assembly and each person involved in the democratic process must be, or at least should be, concerned about conflict of interest.

But in discussing conflict of interest, one has to go back and think about what it actually means. Where does it apply? If you take the word "conflict" as set out in the Oxford dictionary, the definitions include: fight, clashing of opposed principles, being incompatible, or opposition to incompatible wishes. We take that concept of being incompatible and put it together with "interest", which has the dictionary definition: being a legal concern to have title right, a pecuniary stake, a thing in which one is concerned, a principle in which a party is concerned, a party having common interest, or a selfish pursuit of one's own welfare — self-interest in effect. We take those terms and try to visualize, how do those words apply to Bill 206 and to the role and responsibility we as legislators have?

There's no doubt that in it's most gentle sense life is a conflict. There's conflict in all aspects of public office. I agree with the objective as far as that I think we should be very basically concerned about the image the public has for their elected representatives and the appointed servants who carry out tasks for the electorate or for society. The largest concern I have related to this Bill is that it gives the perception that presently there are no rules, that we have no guidelines to follow, where in fact we do have guidelines which come in a number of different forms.

I would like to review what obviously has been covered before, but I think it's worth refreshing our memories. How are we controlled by conflict of interest? What guidelines are set out? Firstly, The Legislative Assembly Act enables this Assembly to assume the powers of a court in determining whether a member is in conflict of interest. Under Section 43(1) of The Legislative Assembly Act,

- (c) the offering to or acceptance by a member of the Legislative Assembly of
 - (i) a bribe to influence him in his conduct as a member, or
 - (ii) a fee, compensation, or reward for or in respect of the promotion of any bill, resolution, matter, or thing, submitted to or in-

tended to be submitted to the Legislative Assembly or committee thereof.

The second area relates to activities and acceptance of funds during a campaign period which are stringent within that period of time. Thirdly, as we are aware, the 1973 ministerial statement of the Premier gives guidelines for all ministers of the Crown.

Fourthly, the *Standing Orders* of the Legislative Assembly. Standing Order 31 provides that

no member is entitled to vote upon any question in which that member has a direct pecuniary interest and the vote of any member so interested will be disallowed.

And,

if a member feels that the member has a direct pecuniary interest in any matter to be voted upon, the member shall so declare to the Assembly and shall leave the Chamber before the vote is taken.

That basically covers any decisions or involvement of decisions within this Legislative Assembly or within the committees.

The fifth area covers areas of far greater significance, relating to the Criminal Code, which specifies remedies for offences of bribery and fraud. I will come back to comment on that later on.

The sixth area is the code of conduct and ethics for public servants, which sets out guidelines for deputy ministers. Of course we know that the electorate has the ultimate decision and judgment to make on people they have put into public office to serve their interests.

Written ethics cannot make honest people. You come into public or appointed office as either an honest person or one who does not accept the responsibilities that have been bestowed upon you in that position. I think we have seen an indication in our history, which is not a happy part, that bribery, a kickback, or accepting of gifts that that person is not entitled to is one of the most difficult areas to prove. Setting legislation does not make it any easier to detect, because the person in that office already has guidelines set out. But if they're not the quality of person who takes into consideration that accepting something that will influence your decision, or accepting something other than a very, very small, token gratuity, because it is your position, is not acceptable — and has been demonstrated within this Assembly on many previous debates and in the regulations and items I covered previously.

One area I would like to relate to with specific examples is the conflict-of-interest area that I had personal experience with in The Municipal Government Act. One sentence says that no elected person can vote on an issue in which he has a direct or indirect pecuniary interest. The problem related to local government officials is that the interpretation by the courts of this indirect pecuniary interest has been taken to extremes never previously thought of.

I think that's one of the concerns in setting out specific written rules: that there are certain rules or areas you may wish to preclude or prevent by writing "thou shalt not" or whatever. But it is difficult to cover all areas, rather than in a very general way. So what has happened in effect at the local government level is that situations where elected persons were voting on an issue that they did not, in their wildest dreams, think would be any conflict, have then been challenged. For example, I remember the situation of one local government councillor who voted on an issue related to access into a shopping centre. It happened that this elected person owned a small business in that shop-

ping centre, but the access was not deemed to be of any direct benefit to him but part of the responsibilities to improve roadways within that municipality. This person was judged in the courts to be in conflict of interest and was removed from office.

One then has to wonder what makes a decision that did not have a direct pecuniary interest, but an indirect one, so different from voting on salaries of MLAs or salaries at any level, or a local government voting on a zoning by-law that may affect the value of a residence, yet not directly. The area becomes very clouded as to what is an indirect pecuniary interest.

Another example relates to members on school boards. I have a concern with this Bill when we talk about not being able to turn assets over to a spouse or to a child; that by assuming that turning assets over to the spouse is different, for example, from a school board member whose wife or husband, as the case may be, is a teacher within that system. Situations become very gray. I think we have to approach it by judgment, responsibility, on the part of people who are seeking elected public office and those who are appointed.

I'm certainly deeply concerned that one of the greatest effects of a Bill such as this is that we would certainly not encourage people who have a basic honesty but do have business interests, who have a very active role in our economy; people who would make excellent legislators, excellent elected persons. But because of the straitjacket or the chains put on them for entering public office, the decision, the sacrifice, becomes too great. I'm not talking about the conflict of interest where they would directly benefit, because I think most of us understand that if we directly benefit, that is wrong. On the other hand, by passing a Bill or law, we are not going to stop the person who does not have those moral values, the person who would take advantage of their position. We have seen in the United States that people in very high offices took advantage of their positions. It's happened, I'm sure, in every democracy. The concern is that we have, firstly, a system of checks and counterchecks that will determine those individuals who may — they are very few — abuse their position of responsibility and trust; and secondly, a system where they can be prosecuted if it's in the interest of the public.

Going back to local government experience, I give an example of a rule I set for myself, related to making decisions. Many times a person who was involved in some development, or representatives of some particular company or firm, would request a luncheon meeting. Maybe a lunch seems to be a very small item, but simply as a matter of course and as a policy I had for myself, if it was the only time to meet and it was appropriate to meet to discuss and gather general information to make a better decision, I ensured that I always paid my own bill. I certainly did get some strange looks at times, with people thinking that maybe this was being carried too far. But never wanting to be in a position to be beholden to someone else or to have that lunch, no matter how small an item it may seem — I did not want to have it appear or in any way want to feel that I owed any favor. In no way did I want that to color my decision as I represented the people who had elected me.

So all I say, in summary, is that we do have guidelines in place; we are very concerned that all members of this provincial government and appointed persons act in a responsible manner, that they accept their responsibilities in an honest way. I'm not sure there could ever be any strong argument that would suggest that passage of this

Bill would prevent any abuses in the future. Nevertheless, we all have a responsibility to ensure that we carry out our duties, that we continue to act as watchdogs for the people who elected us, and that we continue to preserve what has been entrusted to us.

Thank you, Mr. Speaker.

MR. OMAN: Mr. Speaker, in rising to address the subject at hand, I can't find that in basic principle many members of this Assembly would disagree with the intent, on the broad scale of this motion. I think the mover makes it with good intention. Obviously we want to be an Assembly that has an ethical standard respected by the community we serve. Obviously Alberta does not want to be known as the province that has the best politicians money can buy, as is sometimes known in certain constituencies outside Alberta, which shall go unnamed.

Mr. Speaker, I think the question here is the matter of degree to which we want to spell out in minute detail what constitutes a conflict of interest. I thought it was significant that the hon. Leader of the Opposition mentioned that the indications he made in his Bill were self-evident. I suggest there's a lot of truth to that. Perhaps that's why I might say it's not necessary to have them spelled out as a code of law, or in some sense written in stone.

I thank God for the fact that the ethical conduct of politicians in our country, our province, and our municipalities by and large has not been called into question to any great extent. There have been isolated instances where some things have happened, but for the most part they have been rather innocently entered into.

When you spell out too many degrees of conflict of interest, it's easy to fall into the trap of being unaware of some rather small regulation, which I think my colleague from St. Paul, or rather St. Albert — I kind of exalted her to apostolic status there — mentions.

I think if I go back to the Old Testament, you have the Ten Commandments spelled out there originally, as we are aware. Theologians of later generations decided they should expand on those Ten Commandments, applying them to different situations, and a little later on expand on the expansions, and finally expand on the expansions to the expansions *ad infinitum*, until you had a rabbinical code of law which touched upon every kind of movement you could possibly conceive of. To pick the hair off one's garment on the Sabbath was to be in great default of the law, which indicates, I guess, the sort of ridiculous aspect these things can arrive at. What they actually did was hinder the understanding and joy of religious experience and practice.

It seems to me that if we limit the offices to which we call people when they serve the public in elected or administrative positions too severely, we will therefore close out some very good and capable candidates who simply say, the price is too high to pay to enter in.

I recall hearing the story, which I can't verify, of a very strict Scottish Presbyterian church. I assume it was in the country of Scotland. One morning one of the deacons spied the preacher skating to church, for there was a creek that ran from the house to the church. It wasn't too long until he was called on the carpet and asked, why did you choose to skate from your house to the church on the Sabbath day? He said: well, my horse — which was his usual practice to come — was sick and therefore I had to find another means of conveyance. To which one of the deacons frowned and said: ah, but the question is, did ye enjoy it? For it was not possible to enjoy something on

the Sabbath. In some sense, while there is work involved, I think one should be able to enjoy the political experience as well.

My colleague from St. Albert has well indicated the regulations that have been laid out, which obviously and self-evidently indicate we should not act in such a manner as to create conflicts of interest. Therefore I think having the experience we have had in the last, if you want to call it, number of decades where there haven't been any serious problems in this area, perhaps we should leave well enough alone.

I remember a mechanic to whom I used to take a car once in a while for periodic inspections. He said, don't open the hood if the car is running well. It's not bad advice.

AN HON. MEMBER: It's cheaper, too.

MR. OMAN: Yes, it's cheaper. I agree, sir.

Let me depart a little bit here, however, to agree with the hon. member. I have some sympathy with his suggestion that there be disclosure for all members of the Legislature. A politician at some time in some place was holding forth in the question period and someone asked him, what are those influential forces which stand behind you? He said, now you've gone too far; you've entered into my personal life, and I don't want you to mention my wife again. Because there may sometimes be some questions, I suppose, there are occasions when I think it would be helpful. We now require our ministers to have disclosures of personal holdings.

I recall that when I was an alderman in the city of Calgary we brought into force the fact that all members of council should declare their land holdings within the city. Now of course that was more applicable, because we were dealing continually with matters of land reclassification and so on. It was very easy to get into a bind. But it really caused no problems; perhaps it revealed the extreme poverty of some of us. Nevertheless I think there is some aspect here in the sense that if it's laid out before the public, obviously it's clear we have nothing to hide. So in that sense I would tend to agree there is a positive step to be taken here, and perhaps not just the ministers but the members of the Legislature in total should look at the matter of full disclosure of assets.

Mr. Speaker, with that exception, I think I would have to say I would not be in favor of the suggestion and proposals before us. Generally speaking, I think the system is working well. It's not that we should never look at or approve it, but it seems to me we have done very well in Alberta in this area. I look forward to many years while that happens in the future.

MR. STEVENS: Mr. Speaker, I feel privileged to join in the debate today. For the first time in this sitting, it gives me an opportunity to express to the Leader of the Opposition and members of this Assembly my personal admiration for his efforts during the years of his service to the people of Alberta. I have enjoyed being a representative of the constituency next door to him. Therefore it's an opportunity for me to follow his presentation of Bill 206.

Having said that, it seems to me, as the member mentioned in his remarks, that we have dealt and dealt with this; it's becoming an annual event. Perhaps it is the hon. member's pet project. I am sorry the Member for Spirit River-Fairview is not able to be with us today. Last year, as we have all recalled — in the

member's introductory remarks too — we debated Bills 202 and 203. Mr. Speaker, I think you were troubled at that time that we might end up debating both of them. But with your approval and the House sitting, we did in fact debate them both.

Before I refer to Bill 206 presented today, I would like to refresh our memories about some of the concerns that were identified by the various speakers, speakers who brought out, for example, the first concern: the individual career decision to enter public life — that those Bills and in fact this Bill most assuredly would thwart. I think we all heard members speak about this.

We ourselves have had to make those decisions about leaving our families, businesses, or professions to have this opportunity to serve Albertans for a period in our lives. I believe that to add to that particular pressure by defining in such detail the potential problems and conflicts would further reduce the number of candidates prepared to stand forward and present themselves to their constituents.

A second matter of concern that was identified was the cocooning of members who serve in public life. I don't believe we spent enough time on that. But those Bills, and Bill 206 today, propose that after one leaves public service, as defined by the Bill, one may not provide service for a period of years. That puts a very difficult choice to people — not only before they decide to enter public service but perhaps now as serving members, or as members, as defined in the Bill, of Crown agencies and departments — the difficulty as to how to leave public service and perhaps return to the areas of their endeavors. I think that is a very significant factor as well and, as I believe the member for Calgary Forest Lawn pointed out, could lead to professional politicians, people who will never leave unless thrown out, as a member has said. That is really the judgment that faces all of us if we approach the people and the people find us not performing or following the trusts we have all agreed to follow.

I think the members who have spoken today very clearly identified the specific provisions of The Legislative Assembly Act, the *Standing Orders* of this House; the Premier's ministerial statements in '73 and '75; the code of conduct and ethics for our provincial service; and the question of attitude, moral ethics, public responsibility, and public accountability. But what we haven't pointed out in these debates is the role of this Assembly, until this afternoon when the Member for St. Albert brought out how this Assembly could in fact form a court of judgment of our actions.

We didn't discuss the roles of the Ombudsman or the Auditor General — the independent authorities in fact who are charged with examining actions of public servants and who can take action based on complaints about, for example, acts of MLAs. I understand there is a code of conduct for Soviet officials. I don't know what the Afghans think of that, but there is a code of conduct.

Later in the sitting, we came to Bill 203 — the Bill before Bill 206, presented by the hon. Leader of the Opposition. At that time the leader quoted my earlier contribution to the debate on Bill 202. But he didn't quote the part in full that he selected, nor did he quote it correctly. I would like to read three lines that were said in this Assembly in 1979, and perhaps correct the record. I said:

The principle, the issue that has to do directly with the inference in this Bill before us, is that members of the Assembly, ministers of the Executive Council, their executive staff members, and corporation and

agency heads, act against the public interest or in conflict with the public interest, or forsake their oaths to Her Majesty and her government.

We could also spend a few minutes today thinking about the oath we have all signed and sworn to, the oath we have sworn to as members of the Executive Council, for those of us who have that privilege. We might also remind ourselves of the oath in The Public Service Act of Alberta. That oath is taken by every new employee, and it continues after that employee leaves for the period of time when the employee served our government.

I would remind members of the Assembly that there were no guidelines of any sort other than The Legislative Assembly Act itself prior to 1971, under the administration for the former government. Now I served that government for a very short period of time, and left of my own accord before a number of situations occurred in this province, situations which involved a Crown corporation under the management of a chief executive officer appointed by the former administration, which led to a public enquiry. I left before other enquiries were carried out. There weren't any guidelines, but suppose there had been? Would that have deterred those particular people from doing what they did? Perhaps the rules are necessary, but other than the code of conduct and ethics, I don't believe for this public service. Nor do I believe any more rules are necessary for our Assembly than those we have today.

The Member for Olds-Didsbury stated that it was self-evident that certain acts are improper, therefore the penalty should be applied. If it's self-evident, isn't that saying that one is guilty — guilty before and brought before this Assembly or a judge, as proposed in Bill 206? Isn't the punishment defined in this Bill before us? Then the member went on to say, we're all human, we can all make mistakes, and we should be setting an example for the public. I believe all 79 members of this Assembly are setting examples for their public.

I'd like to turn to Bill 206 for a moment. I believe it's very comprehensive in trying to define to whom it will apply. For example, in Section 1 it says that an executive staff member means

appointed by a Minister to serve on his executive staff, whether or not of the status of a Deputy Minister, and who is paid out of public funds, but does not include secretarial or clerical staff . . .

I can only speak for myself, but I have the greatest trust and respect for my executive staff member, and also my secretary and stenographer. As any minister and member must, when receiving correspondence, inquiries, or telephone calls from constituents, people with concerns, we must respect their confidentiality. All of our staff does that very well. So I don't know why this Bill proposes one type of member who serves a minister and not all the others.

The Bill also says in Section 1:

"head of a Crown corporation or government agency" means the chief executive officer of any corporation listed in the Schedule . . .

When I turn to the schedule, it's very limited. I have no idea why the leader would list the particular corporations and companies here and not contain in the schedule all the other agencies, corporations, and departments of the provincial government that are perhaps covered under universities and colleges Acts, the Crown hospitals, AADAC, the Liquor Control Board, the Alberta Research Council. There are many agencies not listed here. I don't know, then, why these are selected. Of course that is

the difficulty when one begins to establish a list. One asks why one is on the list and why one is not on the list.

I turn to Section 2(2), where it says, "A member who fails to comply with subsection (1)", the detailed sections of conflict, "shall be deemed to be in a conflict of interest". Again, as you read all these, it is very possible that a mistake can be made without knowledge. One would have to carry this at all times to understand whether one could have lunch, as the Member for St. Albert pointed out. But if a member does, it is deemed a conflict of interest. Then you can go to the penalties. They're quite carefully spelled out.

I turn to Section 3: "No Minister, during the period he holds office, shall . . . carry on any business other than as . . . may be determined by [a] judge". I can think of a number of activities a minister may well wish to remain involved in, or become involved in, during his or her period of service to Alberta. For example, in my own situation, not many people would choose to use my services but I might wish to be a ski instructor on the few hours I have off. I would expect that I would need to go to a judge to determine if that is a conflict of interest. You can carry this kind of thinking through to one as a cartoonist or any other type of activity one might wish to continue to engage in or engage in for the first time during free time. If you as a minister fail to comply with that subsection, again, by this Act, it is deemed to be a conflict of interest.

Further in the Bill, executive staff members, other than in the course of their duties, are not able to "investigate . . . settle or determine any claim", and so on. I would find it very difficult to explain to an executive staff member, by that wording, what is and is not possible to investigate. Again, the executive staff member who failed in some way to follow the details contained in this Bill would be deemed to be in a conflict of interest. The same goes on through the Bill for deputy ministers, for heads of Crown corporations and government agencies, as defined so far by the schedule. Then we get into former members. I've already discussed that.

Finally, as I read this Bill, the difficulty is that Section 11 describes very carefully how the judge will find the person in breach of the provisions of this Act, if it were to be approved. I think you would have to have a lawyer with you at all times to determine if you were in breach of 2(1)(a), 4(1)(a), or whatever. If you look at Section 11, I would caution everyone to at all times be in the company of someone who could advise him or her on those matters. If it has to be that detailed, as the Member for Calgary North Hill indicated in his remarks, we will all face grave difficulties.

Mr. Speaker, I would not be in favor of Bill 206, as I was not in favor of Bills 203 and 202.

DR. CARTER: Mr. Speaker, I beg leave to adjourn the debate.

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, when the House reconvenes this evening, it is proposed to deal with second readings of various Bills, commencing with Bill 92, then moving to Bill 88, The Election Act, and then Bill 94, The Alberta Health Care Insurance Amendment Act. Tomorrow morning continuation of second readings, committee study, and third readings will be the order of the day.

Mr. Speaker, I move that we call it 5:30.

HON. MEMBERS: Agreed.

[The House recessed at 5:25 p.m. and resumed at 8 p.m.]

head: **GOVERNMENT BILLS AND ORDERS**
(Second Reading)

Bill 92
The Mines and Minerals
Amendment Act, 1980 (No. 3)

MR. LEITCH: Mr. Speaker, I move second reading of Bill 92, The Mines and Minerals Amendment Act, 1980 (No. 3). The proposed amendments are largely technical in nature; however, several raise matters of principle, and I will make brief comments on them.

The first one, Mr. Speaker, is a provision that enables Executive Council to pass regulations imposing monetary penalties in respect of a failure to file reports, returns, or things of that nature. That is done in that way because a variety of such reports and returns need to be filed, therefore a variety of circumstances should be met by the penalty provisions. The capacity to make regulations will give Executive Council the flexibility to have the penalty provisions meet the particular circumstances that may exist from time to time.

There is another provision in the proposed Bill, which would authorize the minister to extend, in certain very limited circumstances, the term of an oil or natural gas lease. That is being proposed because there are certain circumstances where the lessee who has drilled a well — and that is the requirement that enables the extension to be granted — has not been able to evaluate the results of the well within the 90-day period provided for in the present legislation. This provision would enable the minister to extend that period for a further limited time.

Finally, Mr. Speaker, there is a provision to authorize the minister to postpone the date for the reversion of deep drilling rights. I would envisage that provision being used perhaps in environmentally sensitive areas where we would prefer to postpone the reversion of deep drilling rights rather than have them revert and again be put out, and perhaps have two lessees working in the same area, which might cause more of an environmental problem than if we just had the one.

Mr. Speaker, those are briefly the principles that I feel are contained in the proposed Bill. As I say, there are a number of other amendments, but they are largely technical in nature.

[Motion carried; Bill 92 read a second time]

Bill 88
The Election Act, 1980

DR. REID: Mr. Speaker, I move second reading of Bill No. 88, The Election Act, 1980. As I said at first reading, this Act is a total rewrite of a piece of legislation which is of especial importance to members of this Legislature both present and future. It is also of great significance to all Albertans, because it is essential to the smooth functioning of a democratic process that elections be held in a fair manner, without being burdensome on those who wish to vote, and that the elections are not corrupted.

Mr. Speaker, a committee of the government caucus worked on this Bill for some months, taking into consideration many suggestions or problems that were brought to our attention by candidates, voters, campaign workers and, through the Chief Electoral Officer, by the various election officers in the 1979 election. There are some 200 sections in the new Act, and I would like to highlight some areas of it.

The Bill as presented was developed with several major principles in mind. The first was that the Bill be easy to read and understand by those who would essentially be using it as a guide or textbook to their function as enumerators, returning officers, deputy returning officers, poll clerks, and election clerks. With the aid of the Bill and further information from the Chief Electoral Officer, it is hoped that people who function in those offices for relatively short periods of time at long intervals, and for whom it's impossible to keep up their expertise, would be enabled, with that additional information, to function in a proper way and enable the smooth running of the electoral process.

For this reason all the sections relating to a given function have been gathered together in one part of the Act, hopefully in a logical sequence. Thus, in order to perform, say, an enumeration, it is no longer necessary to read the whole Election Act. One only needs to read that part devoted to enumerations. The issuance of suitable instructions by the Chief Electoral Officer in booklet form, similar to those that were issued for the last election for candidates and chief financial officers, hopefully will further ensure the proper function of the election procedures.

The second major principle that was applied, Mr. Speaker, was to rationalize the enumeration procedures for present-day society, which has changed, as we all know, quite radically in many ways over the last two decades. We made a distinction between rural and urban areas, both in the number of enumerators required and in the listing of voters' names on the electoral list. In rural areas it will no longer be necessary to have two enumerators go around. Only one will be necessary. But if an urban area is within a rural electoral division, then the returning officer can direct that two enumerators will go around, just as in the major urban areas of the province.

Some changes have been made in the rules of ordinary residence. They have been simplified and, hopefully, clarified. They were necessary because when it comes to election procedures, some change has been made in the absentee vote system. We also made sure that both enumerators and candidates and their campaign workers had access to the type of dwelling that is found either in a mobile-home park or the apartment block with a security system which can deny entrance to people.

One change in the enumeration system that is of great significance and caused considerable difficulty in the recent enumerations is that we have taken away the necessity in the Act to list the Christian name and the prefixes Mr., Mrs., Ms, Miss. The names on electoral lists will now be by surname and initial only. If an elector wishes, it is possible to have the Christian name and prefix attached, but it will have to be at the specific request of the individual elector. This will avoid the problem that single women have voiced quite well — they've made the point very well indeed — of having notices giving their address and their marital status, and obviously the fact that a single woman is living at the address. Also, because of the rapid growth areas of the province, we have introduced the possibility for the Chief Electoral Officer,

at his discretion, to call additional special enumerations, either of a whole electoral division or of certain subdivisions within that electoral division.

The third and main principle we followed was that it should be as easy as possible for people to vote in an election and, as far as possible, those people should vote in what is usually termed their home constituency. In order to make it easier for the maximum number to vote, we developed the system referred to in the Act as the incapacitated and absentee voter system, which starts at Section 112. The function of that system is quite simple and straightforward, and certainly should not discourage anybody from voting in an election at any time.

In conjunction with that is the treatment centre vote, which caused so much difficulty in some constituencies in the last election. A considerable number of people who were in the large urban hospitals, having been referred there from other constituencies, were in actual fact disfranchised. The mechanism has been devised where if they do not use the absentee voter system, they can very easily vote in the electoral division where the treatment centre is situated. They vote there by being deemed to be resident in the treatment centre on polling day. This mechanism of absentee voting, incapacitated voting, and deemed residence in a treatment centre, was developed because we did not feel that the proxy system which is being used elsewhere was really a viable alternative under the democratic principle of one person, one vote. We feel that the proposals in the new Bill are worthy of consideration by other jurisdictions which are using the proxy system.

Mr. Speaker, I said the electoral process must not be corrupted. In many areas the Act has been tightened to minimize the possibility of improper practices. One particular change is the requirement for a voter swearing in, either at an advance poll or on polling day, to produce satisfactory identification, giving their name and address, indicating that they live in the polling subdivision where they wish to swear in. It's a reasonable requirement. It should cause no difficulties to those who wish to swear in, having either moved into an electoral subdivision from their previous address or who failed to be enumerated at the time of the enumeration process.

The subject of improprieties brings up a very definite division that has been made between offences which are essentially mechanical errors or mistakes — with some intent, one would hope, before it would be called an offence — but which do not have a direct effect on the voting or ballots, and corrupt practices — where the penalties are much greater, with good reason — which can directly affect the casting of the vote or the balloting procedure, or indeed the illegal printing of excess material. The penalties for offences are mostly below \$500. One in particular, which is much greater than that, is a new offence for broadcasting on the electronic media, radio or television, on polling day or the day immediately preceding. This was a gap in the previous legislation. The gap has been closed and carries a penalty up to \$10,000 depending on the circumstances. For corrupt practices, the penalties are considerably greater and are listed at the end of the corrupt practice section.

Mr. Speaker, this essentially concludes my remarks on the new Bill at this time. But before concluding, I would like to express my appreciation as a new politician to those who served on the committee with me, the others who were involved in the development of the legislation, and in particular the assistance given by the Chief Electoral Officer Mr. Ken Wark, who brought us many ideas

from his staff and the other electoral officers, who made the preparation of the Bill both an interesting and an educational experience for me.

Thank you.

MR. R. SPEAKER: Mr. Speaker, in speaking to second reading of The Election Act, 1980, I'm not going to go into the detail of the Bill, but certainly speak on the principle of the Act and of bringing an Act before the Legislature one week before it is going to prorogue; and secondly, placing before us as legislative members an Act that has been — whatever the process is for copying, and not having it in printed form so it's available to the public in mass quantities at present. We're expected to pass the principle of the Act plus many, many amendments outlined by the hon. member. Mr. Speaker, I think it's totally unfair to bring that kind of presentation before us in the Legislature.

I would like to add something else that makes it even worse; that is, the opening statements of the hon. member who introduced this Bill and is supporting it. The hon. member said the caucus committee has been studying the Bill for the past six months and has now brought recommendations to this Legislature. I think that's a total abuse of the democratic system. The Election Act applies to all members of this Legislative Assembly and all people of the province of Alberta. We are all involved in the election process, which is democratic. This Bill, brought here in this form with many amendments to be passed by Wednesday or Thursday of next week, to be the official Act and law of this province without due consideration, is unfair to the Act that is so important.

I think it's incumbent upon the government to examine the presentation it has made to us in this Legislative Assembly. An Act this important, affecting all members of the Legislative Assembly and any candidate who may want to run for a party in the next election, should have more scrutiny and input from potential candidates, members of the Legislature, returning officers across the province, and from anybody else interested in this process at present. That has not been done, has been neglected, and is unfair not only to us as members in this Legislature but to the people of Alberta. It is somewhat arrogant. If this government wants to try to portray it, this is a good example.

If we look back a few years to the 1960s when a review of The Election Act was done, a committee of the Legislature was struck. That committee was requested to interview returning officers and anybody interested in making presentations. That committee was given a long period to work on it and to relate to the public at large. This has not happened in this case. A few days ago — and I'm not sure what the date is — we were presented with a Bill with over 200 sections and many changes. We were unaware it was coming to this Legislature. Now we're asked in a few days to examine it, rush around and get public input, and do the job which the government has not done. Mr. Speaker, that is totally impossible.

We have in place at this time in Alberta an Election Act, and if the Conservative government wants to play with politics and call a quick election, the old Act will do the trick. It has just as much capability as this Act. We all got elected under it before, and it'll bring members back to the Legislature. If you have to call a quick election because your government is going to pieces, the law is in place. So why in the world do we have to rush this thing through and make this big presentation? Just because the caucus committee thinks it has done a thorough job and

can come to this Legislature and pat each other on the back — fine committee, did a good job, fine fellow. But the interpretations of other people who run for the position as member of the Legislature have not had the opportunity of having any input. I think that's a bunch of nonsense. It's unfair and a totally irresponsible presentation at the present time.

Sure, I want to have some input. The hon. members say, have some input, have some input. My input is not only to reflect my attitude but I hope, as a member of the Legislature, to reflect the attitude of Albertans. It reflects the attitude of Albertans, not just a Conservative caucus committee or a Socred caucus committee. Every one of us who sits in this Legislature sits here as a privilege. Sometimes some of us think we sit here as a right. We do not. When we start believing it's a right to be here, then we shouldn't be here. It is a privilege. They have given us a privilege to design law, a technique and a method by which we sit in this Legislature. I think it is only fair to anybody who wants to be involved in the democratic process that they participate in the rules as to how you become elected as a member of the Legislature in the province of Alberta.

I think the government, the House leader, and the member who introduced this had better have a look at what they're doing and recognize that you can be large in majority and government at this point in time, but it doesn't take long for the people of Alberta to turn that around. Examples like this just add to the attitude created in the general public. Through the process we have under The Election Act at the present time, they'll take care of each and every one of us if we just forget to listen to what they want to say in this Act. Maybe it's minor, maybe the hon. member has thought about everything. But I think we have to give people the opportunity to even endorse some of the thoughts of the hon. member, to even suggest them, and maybe think of something new. That opportunity, Mr. Speaker, doesn't exist under the present ground rules, and I think that's unfair at the present time.

MR. NOTLEY: Mr. Speaker, I want to deal with one of the points contained in the Bill and then the question of the route we're following. I think one of the principles is a step in the right direction; that is, the suggestion that it will no longer be required to have marital status affixed to the name. A number of people have brought that to my attention. I think that's especially important in our urban areas today. With the increase in violence, single women have expressed a good deal of concern about the dangers to them of having "Miss" on the voters list beside their name. This is a change that I think is overdue, and I appreciate the change.

However, we have to ask ourselves about the process — the hon. Member for Little Bow has put it quite well — a process that is, in my judgment, frankly not good enough. My memory could be corrected, but my recollection is that oral notice of the introduction of Bill No. 88 was given on Tuesday. We have a Bill of almost 100 pages in length, with a number of significant amendments introduced. We have these copies. We have no opportunity to get back to our constituents, no opportunity to consult other groups. Suddenly we find ourselves discussing the principle of the Bill a matter of a few hours after the introduction. You know, we had a great speech — and I had to admire the hon. Minister of Federal and Intergovernmental Affairs, because he was right when he talked about closure in the House of Commons. He made

a beautiful speech in the Legislature; he did it in question period, of course. But setting that aside, he made a very good speech about closure. What kind of closure in fact do we have when we bring in a Bill of this complexity, give it oral notice on Tuesday, then ram the thing through in the last stages of the House? Mr. Speaker, it just isn't good enough.

If there were some immediate need to get this Bill through, I suppose one could argue, all right, we'll take a look at it. But as the Member for Little Bow has correctly pointed out, we have an Election Act in place. If the government feels that in a few weeks' time it's necessary to defend Alberta, to take another end run at the opposition, that's fair enough. We've got an Election Act in place. Let them do that; no major problem. But in my judgment we don't move forward with significant changes with this kind of notice. I regret the route we're taking because I respect the Member for Edson, who brought it in. In many ways I think the Government House Leader has put the member in a rather difficult position, because we're introducing a significant Bill in a way that frankly just isn't good enough.

Let's look at the way we've gone about it in the past. The member quite properly makes the point that when you're talking about an election Act, you're talking about the rules of the game. Therefore it is extremely important that the rules of the game be understood to be fair, and that there be adequate discussion of and input to those rules, and that like Caesar's wife, the Bill be not only beyond reproach, but be seen to be beyond reproach.

Because that has been our traditional approach in this Assembly, Mr. Speaker, what have we done? Whenever we've had decisions on constituency boundaries, we have decided it would be appropriate to have a select committee representing both sides of the House, because that's a touchy issue. When we appointed the Chief Electoral Officer, the government caucus did not select the Chief Electoral Officer. We had the hon. Minister of Government Services head a committee representing all parties of the House, which met — I don't recall the number of times; perhaps the member can refresh my memory, but I would think it would be eight, nine, or perhaps even more times — in order to go through over 100 applicants for the post of Chief Electoral Officer. In my judgment we were very fortunate to select a very good person as Chief Electoral Officer.

But the point that has to be made is the route we followed with a select committee of the Legislature representing both sides, which took the time to do it, and took the time deliberately so there could be no question that when that selection was made, all Albertans could see it as a fair choice. And it was.

I see the Member for Stony Plain has left his seat. I regret that, because as I recall when we had the first changes in The Election Act after the Tories were elected, we had a special select committee. The hon. Member for Stony Plain headed up a committee representing both sides of the House. I remember the position paper tabled in the House by the hon. Member for Stony Plain, outlining the changes this government proposed to make in The Election Act. In those days, when we were still concerned about open government, we felt it important that we do it right; take a little longer, but do it right so there could be no quarrel or question about making sure the public had adequate input and that both sides of the House were fully represented. And here, Mr. Speaker, a few hours after the introduction, we have Bill 88 dropped on our desks and the hon. government member in the last hours

of the Legislature saying, hey, let's get 'er passed. Surely we can do a little better than that.

If this had been brought in by Pierre Elliott Trudeau, I could just see our hon. Minister of Federal and Intergovernmental Affairs: it would be an impassioned speech, a good speech; it would be strong, effective; it would eloquent beyond any shadow of a doubt. No question about that. And we'd have all the other members of the Legislature, all the backbenchers jumping up and down, pounding their desks, and getting quite enthused. But when the Tories do this, suddenly it's okay. Well, Mr. Speaker, it isn't okay. This is a poor way to deal with The Election Act.

I simply say that while some of the provisions in it, that the hon. Member for Edson has pointed out, are quite excellent — I have no problem supporting some of those provisions — a number of them need a good deal of discussion of the kind that requires the deliberate approach we had before when this government, under the leadership of the Member for Stony Plain, took certain initiatives with both sides of the House being represented.

I just say to the members of the House, what's the rush? What's the rush? We can hold it over. We're going to hold over other Bills. I gather from certain information that one or two other Bills may be held over. It won't be the greatest tragedy on the earth, Mr. Speaker, if Bill 88 is held over until the spring session and reintroduced. Then during the period of time we will have an opportunity to look into it in the way that would do justice not only to the spirit of what is contained in this Act but the forms as well.

MR. R. CLARK: Mr. Speaker, I wonder if I might make just three brief comments with regard to the Bill. I would say, first of all, that when the Bill was introduced, my colleague let our concerns be known to the Government House Leader that we wanted the Bill not to move ahead at this fall session. We thought the Bill should be held over until a later time. I make the point my colleague makes, that the Bill is in this form. I have not checked myself, but officials of my office tell me that printed copies will not be available for distribution until next week. If I'm not right on that, I'd like the Government House Leader or the sponsor of the Bill to straighten me out on that please.

In the past when we've changed The Election Act, I for one have followed the practice of sending a copy of the Bill to a returning officer, even though he isn't of my own particular point of view. No member is going to have that kind of opportunity. I'd be very interested in asking the sponsor of the Bill — and I say this with no disrespect to the hon. gentleman sponsoring the Bill — but I'd like to know if in fact these are solely the recommendations of the Chief Electoral Officer in the province, or in fact have the recommendations of the Chief Electoral Officer been changed as a result of the deliberation of the Conservative caucus?

If my memory's accurate, the Chief Electoral Officer is an official of the Legislative Assembly. If we're not basically taking his recommendations and implementing them as he has recommended to the government, then it would seem to me the courteous, responsible, and reasonable thing to do would have been, if for some reason the government didn't want to go the route of a legislative committee, at least some prior consultation. To the best of my recollection — and if I'm wrong I would appreciate either the Government House Leader or the sponsor of the Bill correcting me and saying that my office was

asked for input, a chance to look at the Bill. I don't believe that was done. I don't believe it was done for the Member for Spirit River-Fairview either.

I make this point: we do have an election Act in place now in this province. Those of us on this side of the House may not have liked the results that that election Act brought in the last election, but if we're going to have to have an election in the next very short period of time, then there's nothing wrong with the old Act being used once again. I simply say to the hon. gentleman sponsoring the Bill, or preferably the Government House Leader, what is the urgency in having to put this Bill through now? There are no vacancies in this Assembly. What's the urgency in having to put the Bill through now?

My colleague and I have no choice but to vote against the Bill on second reading as a matter of principle. We're simply saying this is not the kind of way we should do business with The Election Act. Reference has been made to the hon. Member for Stony Plain, who did an excellent job and went to great lengths. The last time, we had a discussion paper after we'd had some hearings, and held another set of hearings. On this occasion, this is brought in this week with the view in mind of having it through next week. There should be consultation with the registered political parties in the province, at least an opportunity, it seems to me, for those who aren't represented in the Assembly to put their view forward. I would hope the Chief Electoral Officer has already tried to do that. I'd be very interested in knowing if this is the work of the Chief Electoral Officer. Is this what he's recommended, or in fact have we taken the recommendations and changed them somewhat?

I would urge the Government House Leader, either after second reading or even right now, to simply say the government's prepared to let the piece die on the Order Paper. From my point of view, Mr. Speaker, I'd be quite prepared to say — although I won't be in a position of leadership when the next session comes around, but I feel reasonably sure that if there's some urgency my colleagues will be prepared to see that this piece of legislation gets through early in the spring session if there's some reason for getting it through quickly.

MR. D. ANDERSON: Thank you very much, Mr. Speaker. I didn't intend to speak on this particular Bill, but the comments raised by the three opposition members in the last few minutes have encouraged me to do so, because I have a respect for the opinions that have been expressed. I do believe we must, as one hon. member said, not only do justice, but be seen to be doing justice. I'd be concerned if any member of the public or of this Legislature truly felt that was not the case.

However, I would point out to hon. members that in past years we have in fact gone through a number of investigations — long before I was in this House — over and over again with respect to the way elections should operate and the way things should be done. The members themselves pointed out in a very complete way some of the experiences that have taken place in the past. Rather than indicate that this must take place again in the future, Mr. Speaker, I hope we would have accumulated that information and been able to learn from the past, and would now be able to reach the point where all that taxpayers' time is not essential.

I'd also like to say that indeed there has been study into those points of view over the past few months. While those have been by one group in this Legislature, the Bill is now before us in its normal process of operating in this

House, a normal process where each member of the Opposition can take maximum time to speak on the Bill and point out the difficulties that may be involved. They can do the same in terms of the Committee of the Whole process that we have, and again in third reading if they wish.

I suggest that's a fair and ongoing process. If indeed there are specific sections in this Bill we have not looked at properly — and that's always possible — I suggest hon. members from the opposition side of the House, or indeed government members, may well look at those, investigate the kinds of amendments that may be required, and suggest those to us, either in this sitting or in next year's sitting.

Indeed, if it is not so crucial to pass this, if there are no time parameters on it, we are free to look at those amendments after the hon. members of the opposition have had the whole winter to go through the Bill in more detail than they have time to now. I would hope quite frankly, Mr. Speaker, that despite all the reading they have, they would be able to go through a Bill — even though it's fairly lengthy, it shouldn't take more than a couple of hours for any one of us.

I would say just in closing, Mr. Speaker, that I respect the process we have. I do indeed believe we have to look at all conventions and all possibilities, that we must be fair, and ultimately fair, in this particular kind of Bill. I believe we have gone through that process. But if we have not, and if there are specifics, I suggest that people identify those and suggest how they might be improved, rather than speaking in vague generalities.

MR. SINDLINGER: Mr. Speaker, I would like to ask the sponsor of the Bill two questions. The first is in regard to the procedure or the process. If a legislative committee was undertaken last time, why wasn't one used this time? Second, was there any written input from the Chief Electoral Officer that could be tabled in the Legislature?

MR. CRAWFORD: Mr. Speaker, I'd just like to make a few remarks. In a way, it's an expression of disappointment that hon. members of the opposition have, by and large, chosen to deal with their, I guess, ruffled feathers over the manner in which this Bill is presented rather than the sum and substance of it, which is of course the really appropriate matter for second reading. The remarks were perhaps intemperate, not in the extreme but to a very considerable degree. I just want to observe that it might have helped a great deal more if, as the hon. Member for Calgary Currie suggested, they had directed their minds to some of the principles of the Bill. Many of the principles are the same as those in the existing Election Act and have been there for many, many years. A quick examination of the Bill would show them that.

Mr. Speaker, I have had it indicated to me that one or two other members may also wish to speak further on the matter. Two opposition members are absent. It may be that they would wish to speak on the matter. So in that regard, although I've indicated to the Leader of the Opposition that we have no present plan to accord with the request to deal with it next year instead of this year, it certainly can be held for further discussion until next week, and give a further opportunity to examine it over the weekend, including presumably with constituents, if that's desired, although maybe they can't give it a very broad distribution as the hon. Member for Little Bow said he would like to do.

On that basis, Mr. Speaker, I would ask leave to adjourn the debate.

MR. R. CLARK: Mr. Speaker, before you put the question, sir, might I ask the Attorney General when we might expect copies of the Bill.

MR. CRAWFORD: I would like to be able to answer that definitively, Mr. Speaker, but I'm not able. Normally it takes just a matter of a few days from the time the Bill is presented in the form that it's before the members now and the time the actual printed Bill arrives. I should add that the hon. leader shouldn't leave the impression that he does not have a copy of the Bill.

MR. R. CLARK: I didn't make that point at all.

MR. CRAWFORD: It's certainly been before the House since it was introduced, and as far as extra copies of it are concerned, they can be made relatively easily by anyone.

MR. SPEAKER: Before putting the question of the hon. Government House Leader, I have a little difficulty with the present situation. Am I to understand that, for example, the hon. members for Little Bow and Calgary Currie and the hon. Leader of the Opposition are taken to have spoken on the Bill? I think if we reflect on the remarks that were made, they almost sounded like points of order or points of privilege. In view of the proposal made just now by the hon. Government House Leader, I just wonder what the wish of the Assembly is. How are we to treat this? If the debate is going to be adjourned for further consideration, does the Assembly feel that the remarks that have already been made by members who have spoken are to exhaust the rights of those members to speak on the Bill?

MR. CRAWFORD: Mr. Speaker, perhaps I should deal with that. The hon. members did not purport to raise any point of order or point of privilege, despite the tenor of some of the remarks. Some indication was given that there was an intention to vote against the Bill, which is an appropriate remark to make at the time of second reading if that's the intention. I would say that those who have spoken today have spoken in regard to second reading.

MR. R. SPEAKER: Mr. Speaker, to your point. I certainly would have to agree that in my first two sentences, I indicated that I was speaking in terms of second reading. As I was proceeding, I realized that my remarks were more with regard to privilege. However, I would have to say that I did speak in terms of second reading and will have to accept that at this point in time.

[Motion carried]

Bill 94

The Alberta Health Care Insurance Amendment Act, 1980

MR. RUSSELL: Mr. Speaker, I move second reading of Bill 94, The Alberta Health Care Insurance Amendment Act, 1980. The principle of this Act is primarily to deal with the matter of controlling the limit of doctors' billings, above and beyond the fee schedule negotiated annually between the government and the Alberta health care insurance plan.

Members know that two other minor amendments are

contained in the Bill, which traditionally are labelled housekeeping or routine. I won't speak to those unless somebody specifically raises an issue involved with them. I think they're self-explanatory.

I would like to take some time to talk about the move the government is taking at this time with respect to the matter commonly called extra billing, balance billing, patient participation — whatever you want to call it. First of all, I think we should review exactly what we are talking about when we talk about medicare or balance or extra billing. I have to go back to where this all began. Back in the early '60s — I think in 1964 — Mr. Justice Emmett Hall chaired the Royal Commission on Health Services which reported to the federal government, and drew up a health charter for Canada which included very important and interesting principles.

I'd like to quote from that charter, because it was quoted again by Mr. Justice Hall 15 years later when he reviewed the medical care plan in Canada. At that time he went back to the charter which had been included in his report. It says:

"The achievement of the highest possible health standards for all our people must become a primary objective of national policy and a cohesive factor contributing to national unity, involving individual and community responsibilities and actions. This objective can best be achieved through a comprehensive, universal *Health Services Program* for the Canadian people.

Then it lists some principles:

Implemented in accordance with Canada's evolving constitutional arrangements;

Based upon freedom of choice, and upon free and self-governing professions;

Financed through prepayment arrangements;

Accomplished through the full co-operation of the general public, the health professions, voluntary agencies, all political parties and governments, federal, provincial, and municipal;

Directed towards the most effective use of the nation's health resources to attain the highest possible levels of physical and mental well-being."

Mr. Speaker, I wanted to go back and quote that because some important thoughts are embodied there. Back in the days when this was written, he talks about free and self-governing professions, and co-operation of the general public, the health professions, all political parties and governments, as well as the other things.

In 1969 the health care insurance plan was introduced. It contained what has become known as the four basic principles upon which the transfer of federal funding depends. Very briefly they are comprehensive coverage; that is, all those services normally provided by a physician, surgeon, or other named medical professions are to be covered. There is to be universal access; that is, no Canadian citizen is to be denied access to this plan. Over the past years that principle has engendered a great deal of debate, because some will argue that if a person has to pay health care premiums, that denies him access to the health plan; that if extra billing is involved, that denies him access to the health plan. I'm happy to say that in commenting directly on a question posed to him by me, Justice Hall said he found no proof of any Alberta citizen being denied access to health care for either of those two

reasons.

The third principle is that it must be publicly administered. The fourth principle is that it must be portable. It must follow the Canadian citizen as he moves throughout the country, or travels outside the country.

Mr. Speaker, after the plan went through its birth pangs and the various provinces agreed to come into it — and I think everybody in this room remembers the very difficult time the government of the day had when the decision was made in 1970 to bring Alberta into the plan, but all the provinces and the territories are now in — I think it's fair to say that the plan has served our people well. As Justice Hall said, and all of us who received his report and met with him I think would agree, we know of no Canadian group, political group or government that would want to dismantle the medical care plan. It has served our citizens well. It has provided a good level of health service, one which is in fact envied throughout the world. It has taken away that awful fear that people had years ago, that a serious or lengthy illness could cripple their family financially. That worry has been removed from Canadian citizens and families.

There are complications. I can remember seeing a film clip of Tommy Douglas, when he was Premier of Saskatchewan, saying that medicare won't mean anything to anybody; the only difference will be that instead of you paying your doctor's bill, the government will pay it. Of course it's not quite that simple, because in a plan like this there has to be some reasonable control of costs if the plan is universally accessible to all Canadians.

Some trends have been developing in Canada and in that regard it's no different from many other countries in the world that have introduced state medicine. It might be worth while if I went over some of the trends. There's been an increase in the volume of business done by doctors, if I can put it that way. Doctors are now seeing and treating more people, prescribing more special treatments, ordering more special tests, and performing more medical procedures.

I think it's also fair to say that in a professional manner, the relationship between the patient and the doctor has undergone a change. The days when a patient used to be able to go into his doctor's office, spend perhaps half an hour talking to his doctor, getting the old bedside treatment, if I can put it that way, have disappeared to a great degree, and there aren't many physicians or surgeons who practise that way any more. The sheer volume of business and the costs of doing business related to the financial return have simply made it necessary for most Canadian doctors to process or see a certain number of patients a day. I'm concerned about the level of health care that results from that tendency by some physicians towards assembly line medicine.

We also know that many doctors used to have the luxury of part-time teaching, devoting time to research or to their hospital committees, which are important. That has been seriously cut into. They feel that more of their time must be spent earning a living, not only to pay themselves but to pay their overhead.

We also know that many doctors have simply given up and emigrated, if not to the United States then to other countries. That hasn't happened here on a net basis yet, and I think we can be very pleased that it hasn't. Although we are losing a number of doctors — unfortunately, most of them are younger new graduates — we are also gaining more doctors by immigration each year. Notwithstanding the fact that the Alberta College of Physicians and Surgeons has the highest level of entry of

any provincial professional association in the country, we're still in that rather favorable position.

The other thing I want to mention as a developing trend is, I think, a growing militancy in what has been a traditionally quiet profession. We've even witnessed a physicians' strike in one province in Canada, in Saskatchewan. We've seen threats of strike action being taken in other parts of the country, and we've seen some fairly aggressive advertising and communications and organization work going on.

I mention those things to show what I think has happened across Canada since the introduction of medical care. I don't want to paint a completely gloomy picture, because I think it's important to re-emphasize the benefits of medical care and the fact that, notwithstanding those things having happened, other good things have happened. On a net basis, I think it's been good.

But in one way or another all provinces have faced the problem of the growing concern about the physician as he sees his role in society and what's happening to his net and relative income. I'm sure we've all seen these statistics and been lobbied by constituents throughout Alberta with respect to where the doctors stood in society pre-1970, in both absolute and relative income, and where they stand now looking at those two factors.

There are some choices. Some jurisdictions — none in Canada yet — have simply banned extra billing. You have a fee schedule and that's it. It's interesting to mention that in the United Kingdom, where I suppose state medicine really got its most widespread publicity in the western world, they have now developed a second tier, which is covered by private insurance. The labor unions are pressing for this second tier — that is, access to the private health care system — recognizing that if the public system isn't handled well, with some spirit of co-operation and recognition of the responsibilities of all the groups that Mr. Justice Hall referred to in his charter, the system will fail. So you get into these anomalies such as are developing in the United Kingdom and Australia.

Another choice governments can make if they are involved in a program of universal medical care is what we call opting out; that is, either force out or give a choice of leaving to doctors who want to bill more than the government fee schedule permits. We have variations of that within Canada. Probably the most restrictive and punitive is the model carried out in Quebec, whereby the doctor who opts out, by doing so also opts out all his patients. So if patients want to see that doctor, they are not entitled to any benefit whatsoever under the plan. All the other provinces have variations of opting out that don't punish the patient in that way, but do require the doctor to do his own billing or the patient to do his own collecting and payment in a variety of ways. All provinces other than Alberta have some form of that. Alberta is the only province that has managed, until this time, to run with a system whereby there have been no restrictions. It's been based on public opinion and public ability to function under this system and to pay, and the co-operation of the profession.

But I suppose Alberta is like the rest of the country in this regard, and it was bound to happen that we would be asked to do something about this growing problem of extra billing. Again, I think we've all been subjected to the messages of our constituents: those who are in favor of it and believe it's a good thing, and those who are opposed to it. Of course the doctors themselves are divided: two-thirds don't do it, and one-third do. Of the one-third who practise extra billing, there's a tremendous

variation. Some extra bill only a few patients a nominal amount throughout the year, and others really sock it to every patient who comes their way. So there's a tremendous difference in the style and method of extra billing.

Until the introduction of this Bill, the system in force in Alberta has been to try to manage the system using the principles of choice — that is, leaving open to the patient a choice of doctors who either do or don't extra bill — also trusting that the profession will discipline itself. They have done that in a variety of ways, through both the college and the A M A .

A year ago last June I asked some of my colleagues in our caucus to form a task force and look into the matter for me and report back to our entire caucus. They did. After having studied the matter in other provinces and talked to affected groups throughout the province, they brought forth a number of recommendations. I believe I've implemented all their recommendations except the last one; that is, legislative action, the one before us tonight. I'd like to quickly go over their recommendations and review for you how we responded to them.

First of all, they recommended that our doctors be paid better, recognizing what the economy is in Alberta, what the cost of living is, what the cost of doing business is, and what their peer groups in other parts of western Canada are getting. So although they don't have the highest fee schedule in Canada, they have the second highest provincial fee schedule, second only to British Columbia. The Yukon Territory, which is unfair to use in provincial comparisons, has a fee schedule much higher than any Canadian provinces.

We also have tax arrangements which provide them further benefits by way of level of provincial income tax, no sales tax on their equipment, low property tax on their facilities, and legislation which allows them to incorporate. So I think we can say that our doctors in the western Canadian context certainly are fairly paid.

It was suggested that the second thing we do is amend the schedule, because not all procedures were covered and not all services and procedures were covered in a fair way. We tried to do that. We didn't put everything in that the different professional groups had asked for, but we included a number of minor items that added up to just over 1 per cent in added benefits in the agreement that was reached last year.

For the first time last year, we tried to separate the functions of pay to the professional doctor and the overhead component covered by his professional fee. The way we did this was assume — and I think it's a fair assumption based on a wide variety of statistical data — that his overhead is 40 per cent of the fee he receives. So we look upon any fee paid as 40 per cent to the cost of doing business and 60 per cent to the doctor as pay for his services. I think that was a good, progressive step to make.

We tried to improve our statistical reporting. The profession was upset when we did this, but I think we now have a very accurate ongoing method of reporting extra billing. That system has been implemented. We've also monitored this very carefully over the past few months to see if there have been any changes in the frequency of extra billing. Although it was about 37 per cent when we started this exercise a year ago last June, it went up to a high of 44 per cent by last December. When we brought the new fee schedule in, it dropped to 36 or 37 per cent and has remained constant since then.

The last move the caucus task force recommended we bring forward for consideration by the Legislature is

some kind of legislative move. There again we have a choice. We have what is called the taxing or assessing legislation, and that's what is here before you. That's the model simply patterned after that used by the legal profession, where unfair bills are assessed by a committee. Or in a variety of forms we have the opting-out legislation that forces a doctor to make a choice and do his own billing if he wants out of the system. Or you can have a combination of both those things. As a first step, I'm bringing forward the taxing legislation. Mr. Speaker, I say it's a possible first step for this reason: I don't know what the federal reaction to the Hall report is going to be.

I'll conclude my remarks in this debate with just one or two comments about the Hall report. It's received a fair amount of discussion and analysis since it was released in September. The ministers of health for the provinces and Canada met with Mr. Justice Hall and went over his report with him very thoroughly, asking him questions and getting his comments and elaboration. Then we met separately with the federal minister and again separately as provincial ministers.

I think it's fair to say there is fairly wide agreement that the report tendered by Mr. Justice Hall could be divided into two sections: the part at the beginning is fairly meaty, and the second half of the report is what might be called motherhood issues. The motherhood issues are those kinds of ideals and things that nobody could take issue with and that I think all provinces are committed to trying to support; that is, improving and expanding services in the poorer Atlantic regions, expanding our services into remote and native regions in Canada, and paying more attention to the comments of the Canadian Nurses' Association. There was express concern about the matter of rising abortions. Those are just some of the issues on which there was no real dissension or disagreement.

There was a great deal of concern and disagreement about the five major recommendations at the beginning of the report. Essentially what they added up to was: no health care premiums to be charged Canadian citizens, no extra billing by doctors, an expansion of services, no opting out, and binding arbitration as a way of settling doctors' fee schedules in all provinces. You can see that if that package is put together in totality, you have pure state medicine in its most basic form. I'm not sure the country, and particularly this province, is ready to go that way yet. Looking at the experience in other parts of the world that have gone that way, I think our system is better in its present state.

We have said to the Alberta Medical Association that we would agree as a provincial government to binding arbitration as a final step in fee negotiation, on the understanding that that excludes any extra billing or opting out. In other words, if the Medical Association would agree to third-party settlement, the government would too. We would agree to that.

I'm concluding my remarks on that quick overview of the reaction to the Hall report, because there were some rather strong statements made by the federal minister at that time that as a condition of the transfer of federal funding, she may find it necessary to implement the recommendations of the Hall report. The provinces urged her not to do this without further consultation, and she has agreed to do that. My understanding is that we hope to meet again early next year, perhaps in February.

In the meantime, until we have a better assessment of what may happen on the national scene, we're bringing in this legislation which will quite simply give the College of Physicians and Surgeons — whose board of directors

does include members of the general public, lay people — the authority to set up a committee. The committee's duty would be to assess bills people get as a result of extra billing that they feel are unfair. It's proposed that the system would be very simple: a signed affidavit; the person wouldn't have to appear. They might not have to initiate the complaint themselves. That could be done by a member of the department, another physician, or the minister.

If any hon. members are looking for that kind of detail, it will be included in the regulations. It's my hope to table the final draft form of the regulations before we give final approval to the Bill, because they are an important part of this procedure. What you see in the Bill just provides a framework for the setting up of the committee and for the regulations that will allow us to set up the costs, the membership, and the functions of the committee.

That's how it is. I think there will be a great responsibility on the part of the profession to regulate its own members. Since the introduction of the Bill, I have been encouraged by the response from the college and the Alberta Medical Association. They believe they can make the system work well. They have been doing it in an informal way, but this gives them the legislative authority to do it. I think it's a fair and reasonable move, taking into consideration all the factors I've mentioned and the arguments on both sides.

There is not unanimous feeling on the side of the general public or patients, if I can put it that way, that all extra billing is bad. Some people object very strenuously on a matter of principle or economics, to one penny of extra billing, while other people say they would quite cheerfully and gladly pay \$2, \$3, \$5, \$10, or whatever the fee is, for the services their doctor has given them. In the medical profession, on the other hand, not all doctors extra bill; two-thirds of them don't. And there's a great disparity and range in the methods used by the one-third of doctors who do.

So this is an attempt to bring reason to that system, Mr. Speaker. I hope hon. members will support it, give it some months to function, and let us see if it will work.

MR. NOTLEY: Mr. Speaker, I'd like to deal with four or five different aspects of this Bill: first of all, to look at the basic principle of the Hall commission report; then to examine the most recent report which, incidentally, was commissioned by the then Minister of National Health and Welfare, Mr. Crombie, a member of the political party which is now in power in Alberta. I'd like to deal with some of the approaches taken in other provinces, then with some of the specific concerns with respect to the legislation itself.

When the minister introduced the subject, he made reference to the Hall report of 1964. He also made reference to a strike in the province of Saskatchewan in 1962. Members are probably well aware that the 1962 strike was not a strike over remuneration; it was a strike on the part of the doctors in that province, many of whom — not all of them — opposed the concept of the health scheme which then became a model for the rest of Canada. A three-week strike ensued in July 1962. We had the so-called Saskatoon agreement, which became the basis of the prepaid, publicly operated health insurance scheme in the province of Saskatchewan, which Mr. Justice Hall used to a large extent in 1964 as a model for his famous report which contained the four basic objectives that became law in 1969.

Mr. Speaker, I think it's important that we reflect for a

moment or two on some of the basic philosophical concepts behind the Hall commission report. The first of course is that there should be universality and universal accessibility; that in fact the very best that modern medicine can provide should be equally available to every Canadian regardless of their income and that, on the other hand, we should attempt to pay for that through some kind of publicly operated scheme, taking into account as much as possible the ability-to-pay concept. So in medicare you really have, if you like, a balance of equity. The patient can go to the doctor and receive a service without asking for charity; the doctor can provide the service without feeling that he or she is providing charity. In fact there is equity on both sides. I think that's a very important point to keep in mind, because if we alter that equation of equality in any way, then we really do injustice to the principle of universal accessibility.

I've argued with many people in the medical profession over this question of balance billing. Many doctors have said to me, we only balance bill people who can afford to pay the balance bill. Mr. Speaker, the problem is how to decide who can afford to pay the extra bill, the balance bill — call it what you may. I suppose if you're talking about a very small community, a country doctor of 50 years ago, and a static population, it might be possible for the doctor to decide, yes, Farmer Jones can pay a balance bill, but Farmer Smith can't. So you can make that decision. But in a province where we have 5,000 new Albertans every month, it really is hypothetical in the extreme to assume that a doctor is going to be able to judge who can or cannot afford a balance bill.

Mr. Speaker, one point that I think has to be drawn from the most recent Hall commission report is the study conducted under the auspices of the Hall commission on this question of accessibility, a study by professors Greg Stoddart and Christel Woodward of McMaster University on the effects of extra billing on patients' access to care and attitudes in the system. I'll take just a moment or two to summarize the study and may quote one or two observations, because I think it is important. The study found that very few patients, whether high-income or low-income, would really sit down with a doctor and say, all right, I can afford to pay this amount or this amount. People just don't do that when they go to the doctor. This is what the study found in a fairly extensive survey across the country. Rich or poor, they don't do that, but especially low-income people. I'll just quote:

Most respondents report they did not attempt to discuss their bill with their physicians or his office. Patients seem reluctant to negotiate fees with physicians. Sixty per cent of those extra-billed indicated they would be embarrassed to ask a doctor to reduce his fees. No difference between poor and nonpoor was found in this attitude.

Mr. Speaker, it goes on:

The poor who are extra-billed are significantly more likely to report they have reduced utilization . . .

as a result of delaying going to see the doctor. Mr. Speaker, I think this is important. If the principle of a modern health insurance scheme is to improve preventive medicine, among other principles — but I think that's certainly one of the principles that was discussed in 1964. The whole *modus operandi*, if you like, was that if you remove the financial barriers, people are going to go to the doctor sooner and be treated for an ailment before it becomes so serious that it costs more in the long run. The most recent Hall commission report indicates that among low-income people in particular there seems to be evi-

dence that they don't go to see the doctor when they should.

There are many other observations contained in this particular study, but hon. members will have an opportunity to review it themselves. Mr. Speaker, I cite it because when we address the question of dealing with extra billing, very fundamental to that question is: is there evidence that it reduces accessibility to the system? Mr. Justice Hall has come to the conclusion that in fact it does, and I must confess I share his observations.

Mr. Speaker, I think there has to be fair and equitable negotiation between the doctors on one hand and the medicare system on the other. I also think it's fair to say that between 1975 and 1979, until we had a fairly substantial hike in medicare payments, a very good argument could be made that the medical profession was falling behind. If not reduced in total, their net income was at least being reduced relative to its position in 1975. I don't have any particular quarrel with that contention of the Alberta Medical Association. The issue is how we deal with it.

Do we deal with it by increasing the schedule of fees within the system, or through a system of additional extra billing? As the minister has pointed out, we now have in Alberta a situation where approximately one-third of the doctors extra bill, and two-thirds don't. So two-thirds are living within the system, and one-third are extra billing.

Mr. Speaker, what are some of the options? Obviously one is the opting-out provision that has been brought in in other provinces. There are problems with that; no question about that. In the province of Ontario, at least, opting out doesn't necessarily mean you solve the problem. You simply go through a good deal more administrative process in order for the patient to get paid and then pay the doctor.

However, the Quebec system — the minister was very perturbed about the Quebec system — is somewhat more stringent. The Quebec system is very straightforward. If the doctor is going to be a free enterpriser and work outside the system, patients can go to see him. That's fine. But they cannot run with the hare and hunt with the hounds. In other words, neither the doctor nor the patient is going to be able to take advantage of the public system. As I understand it, in Quebec we're not dealing with hundreds and hundreds of doctors. If the minister had come to this Assembly and said that as a consequence of the very rigid — I'm certainly willing to admit that — opting-out system in the province of Quebec, we still had hundreds of doctors who were opting out and, as a consequence, tens of thousands or hundreds of thousands of Quebecers who faced the same problems of accessibility that we have with extra billing, then one could say, all right, maybe you've got a case. But that isn't the situation. As I recall *Hansard*, the minister indicated that some 23 doctors had opted out. Almost all of them were doctors dealing with high-income people. Twenty-three out of all the doctors in the province of Quebec still means that in terms of its practical effect, the system has maintained accessibility for the patients.

Mr. Speaker, in recognizing the balance sheet on medicare one has to continually balance of rights doctors against the rights of the people they serve. But where I think I would quarrel with this government's legislation is that in an effort to be fair to the doctors, we are not really dealing with the equity which must be part of the equation for the patients.

Mr. Speaker, I want to go into the details of this legislation, because frankly some aspects of it concern

me. What we're going to do is ask the College of Physicians and Surgeons to set up a committee that will determine what fair extra billing is. So what we're doing by statute is saying we'll have a committee to assess what is a fair extra bill. I may be wrong, but once you put this in statutory form, what is going to happen to the two-thirds of the doctors who aren't extra billing? It seems to me there's going to be a very strong likelihood they will begin to extra bill. Because we are now saying publicly: there's no problem with extra billing, we don't quarrel with extra billing, we think it's fine, it's consistent with the scheme. And if we're saying it's consistent with the scheme and we're going to set up legislation, we're now going to have a committee, codified by an Act of the Legislature, that will determine what is a fair extra bill, then why shouldn't doctors who haven't been extra billing and going without the extra money they could get — why should they not do that? Why should they restrain themselves any more?

I suspect that in fact we're going to be legitimizing extra billing. It would not surprise me a great deal if after a year of experience, instead of the minister coming back to this House and telling us one-third are extra billing and two-thirds aren't, it's the other way around: two-thirds are and one-third aren't. What does that do to the principle of accessibility?

Let's look at this committee a little more, because I think that has to be examined. The crux of the Act is the establishment of a committee which, when asked to do so, will assess the fairness of an extra bill. Although this is not spelled out, all the committee is required to do is assess the question of the fairness. It's appointed by the council of the College of Physicians and Surgeons, as the minister has pointed out. Although the Lieutenant Governor in Council may make regulations governing the composition of the committee — and we were interested yesterday in question period to find out whether we were going to get a commitment as to the composition of the committee. Would the College of Physicians and Surgeons have a majority or a minority of the members? The minister very specifically would not give us the assurance that in fact the majority of the committee would not be doctors.

That's important, Mr. Speaker, because the official position of the Alberta Medical Association is very clearly one of solid support for extra billing. I respect the right of the medical profession to feel that way and to have that as an official position — every right to have it. But when you have a committee which is going to be appointed by a professional organization which itself is committed to the concept of extra billing, then I really question what is going to happen to the individual who has a \$5 or \$10 extra bill and is opposed to extra billing on principle. We're now talking about the fairness, the extent of extra billing; we're not talking about whether it's acceptable.

Now presumably the committee is answerable to the council of the college in a formal way, but this is not spelled out. Whom is the council of the college answerable to?

We have an Act that in my judgment removes accountability some considerable distance in terms of the actual operation of this legislation. So right off the bat, there's almost no public input, or at least very little because we're dealing with a committee of the college; very little control over the committee.

Now let's look at the powers of the committee that we're asked to authorize in Bill 84. For example, under

Section 22.3, the committee can require any person to submit to an examination by the committee and to "produce any book, record or document within his possession or control that may be requested by the committee". One would assume that normally the committee would be reasonable; no question about that. I'm not suggesting that we're suddenly going to have another repetition of the Metis raids. But the legislation gives this committee rather remarkable power, Mr. Minister, to submit to the examination by the committee to produce "any book, record or document within his possession or control that may be requested by the committee".

I say to the minister that that is very significant. No limitation is placed on what we mean by a book, record, or document any person may be required to produce. It could be tax returns, cancelled cheques, savings account passbook — what else? I don't know. It's not spelled out. But the point is that pursuant to this Legislature we are authorizing a committee, a professional organization, to exercise very, very significant power. I don't think this Assembly should be granting that power lightly, however much we may respect the medical profession and the ethics of that profession. I think we have to be convinced that there are constraints.

Mr. Speaker, there's no requirement that questions asked a person under oath be directly related to the matter of the extra bill. In other words, we could have people being asked to testify under oath, but not necessarily restricted to the issue of the extra bill. I know we're getting into issues that could well be discussed in committee, but I think it relates to the principle of how much power we are authorizing under this legislation.

I see subsection (2), Mr. Minister, that it's not just the patient who can refer a bill to the committee. As Albertans, I think the impression we have is that this is a nice happy little arrangement where if Sally Smith doesn't like her extra bill, she can go running in to Dr. Brown; if she doesn't agree, we can send it off to this nice committee, and it's all going to be looked after; everything is going to be hunky-dory. But the way the legislation is worded, it seems to me that more than the lady in question, Sally, can refer this bill. The minister, for example, can refer a bill to the committee. Of course that's not unreasonable, because I have no doubt the minister will have all sorts of people writing to him. But more importantly, the college can refer a bill to the committee.

If we get into a situation where there's a quarrel with an individual who is opposed to the principle of extra billing, what protection is there for that citizen? There's no provision in this legislation for the college having to get the consent of the patient before it refers an extra bill to the committee. That being the case, Mr. Speaker, I'd have to say to the minister that there is nothing to stop a doctor from going to the college and asking the college to have a bill referred to the committee on his behalf. It seems to me that we're not just talking about the right of Sally, we're talking about the ability of the doctor in this case.

So what does that mean? Right now if a second bill isn't paid, and the minister probably knows that one of the members of the media at this stage has not paid a second bill, then presumably at some point it will go to court. But Section 22.3(8) says that the decision of the committee is final. The patient has no recourse to any court of law whatsoever. We have a situation here where, yes, the committee can look at that bill and may very well decide that the bill is unreasonable. But if they decide that it isn't, there's no recourse. Right now there is

recourse. I would suggest, Mr. Speaker, that unless this is clarified, to my mind what we are doing is again putting very, very considerable power in the hands of the committee which goes beyond the normal rights of people in our system of common law.

So I would have to express some real concern about the powers. We have widespread powers of requesting all kinds of documents, any document the committee may ask. We have the right of anybody to request the information, not just the patient. Then we have no recourse to the courts. I think that goes beyond the little housekeeping legislation. I really do. Unless I am completely mistaken in terms of these provisions — and I have checked them out very carefully with several lawyers to make sure the information I thought I saw was correct. Unless they're wrong and I'm totally wrong, we are giving this committee authority which, as a member of the Assembly, I really question is an equitable or reasonable thing to do in legislation like this.

Mr. Speaker, as I review Bill 94, the government has set up a committee of the college, legitimized in legislation a practice which I strongly feel is inconsistent with the principle of the Hall report. I've heard certain references made by some members of this government to the danger of state medicine, and they get very exercised about this. But I would remind members of this House, in case anybody forgets, that Mr. Justice Hall was appointed in the first place not by those nasty Liberals, not by those awful New Democrats, but by the Diefenbaker government. The last time I read my history books, Mr. Diefenbaker was listed as a Progressive Conservative, a little more progressive than conservative; nevertheless he was a Progressive Conservative, and it was Mr. Diefenbaker who appointed Mr. Justice Hall.

Then when we decided we were going to look at this whole question of balance billing and the impact, it wasn't the Trudeau government that appointed Mr. Justice Hall to do the job again, it was Mr. David Crombie, Mayor of Toronto. That's an awful thing; no question about that — they are bad, bad, bad. But he was a Tory, a member of the Clark government. And what do we get, Mr. Speaker? We get a consistent presentation by this very distinguished jurist, which has not really altered significantly, I think the minister would agree, between 1964 and 1979 — a very consistent commitment to a principle of health care that is based on balanced equity and universal accessibility.

With the greatest respect, I say to members of the House that what we're doing in this piece of legislation is simply not facing the challenge extra billing poses. No question that we have to look at some of the implications in the second report of the Hall commission. I think that means equitable negotiation. It means some method of either negotiation or arbitration. But the fact of the matter is, Mr. Speaker, we aren't dealing with that by passing Bill 94. We're setting up almost a Star Chamber committee, which has sweeping power to determine whether a Bill we have now said is, yes, legitimized as long as it's reasonable, fair ball; just don't make it too much — we have legitimized that practice which Mr. Justice Hall, who is the pre-eminent expert in the field, has said is inconsistent with the principle.

As I look over the weight of evidence, Mr. Speaker, I suggest Bill 94 is bad legislation, and it's my intention to vote against it.

MR. SPEAKER: Before the hon. Member for Edmonton Whitemud begins his contribution to the debate, may I

call on the hon. Member for Edmonton Sherwood Park, who wishes to revert to Introduction of Special Guests.

HON. MEMBERS: Agreed.

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

MR. WOO: Thank you, Mr. Speaker. On behalf of the hon. Minister of State for Economic Development — International Trade, and member for the constituency of Edmonton Avonmore, I am pleased to introduce to you, and through you to members of this Assembly, three members of the 62nd Edmonton Scout Troop who are here this evening as part of their citizenship training. They are accompanied by their scoutmaster Mr. James Kurylo. They are seated in the members gallery. I would now ask them to rise to receive the traditional warm welcome of this House.

head: **GOVERNMENT BILLS AND ORDERS** (**Second Reading**)

Bill 94 **The Alberta Health Care Insurance** **Amendment Act, 1980** (*continued*)

MR. KNAAK: Mr. Speaker, it gives me great pleasure to participate in the debate on Bill [94]. I want to compliment the minister for introducing this legislation. I think it's an appropriate compromise in the circumstances.

I guess I'm somewhat surprised — maybe not — at the comments of the opposition members, because it reflects again a lack of understanding about the facts of this situation. Notwithstanding that the minister had identified it, let me review it for the purposes of the House.

The total balance billing in the province of Alberta is 4.5 per cent of the total fees paid by Alberta health care; 4.5 per cent of the total doctors' income is obtained by balance billing. Thirty eight per cent of the doctors balance bill, most of them occasionally. Maybe for clarification of members, I'll use my own terminology and break it down between balance and extra billing. By balance billing I'll refer to the routine office charge. If you walk into a doctor's office and he charges you \$2 to \$3, I'll call that balance billing. By extra billing I'll refer to that practice where the doctor has in fact spent extra time and energy. It was a particularly difficult case, and he charged more than was being compensated for by Alberta health care medical insurance; in other words, for extra services rendered. I'll refer to that as extra billing.

Only 12 per cent of the doctors, or roughly 100 of the total doctors, do half of the balance billing. So you have a small minority who do most of the balance billing. And we have the Member for Spirit River-Fairview making a suggestion that will destroy the best health care system we have in North America, right here in the province of Alberta. We still have highly motivated doctors. They're still enthusiastic, and by and large they're reasonable. They're not abusive, and they're responsible.

Let's talk about the Quebec situation, the opting-out suggestion of the Member for Spirit River-Fairview, and that's fair. The Quebec situation is one where the doctor opts out and the patient who uses that doctor opts out. Neither one gets reimbursed by anyone else. Now what

kind of doctor and what kind of patient can afford to opt out of the medical system? Surely they would have to be the very best specialists who would opt out of the system, and the very rich patients — or very ill, who have no choice — would then go to those patients. Is that fair? Is that reasonable? No thanks, for Alberta. We have a system that's working just fine.

On first reading the Leader of the Official Opposition jumped in and said, we're backing down; we're not cracking down on balance billing or extra billing, because we're not forcing doctors to opt out when they balance or extra bill. What is opting out? Opting out is the ability to balance or extra bill outside the system. You don't change it. All that happens is that you place a burden on the patient who in fact sees a doctor who has opted out. It doesn't change the bill one little bit.

Let's not forget the medical profession. I guess this is one of the things I find discouraging about the comments from the Member for Spirit River-Fairview. The medical profession consists of a group of professionals who have had as much training and have devoted as much as anyone else to learning their profession. They've chosen a service, to heal individuals, and by and large they're highly competent, highly respected, and highly capable. As so many people have, they've chosen the province of Alberta because of the free-enterprise environment, the kind of optimism and enthusiasm we have here.

The doctors did not opt for socialized medicine. By and large the 62 per cent who don't balance bill, and those who extra bill for extra services rendered, are responsible. By and large, the citizens have not been complaining. As a matter of fact, it's one of those issues I've had no complaints about at all, not one complaint about balance billing.

What about this particular piece of legislation and what does it do? We have the College of Physicians and Surgeons, the peers of the medical profession, being asked to regulate abuses. I can assure you that the peers of any profession will be much stricter on their profession to maintain the ethics and standards of their profession than anyone else. I for one would like to see the majority of members on this — what we call in the legal profession — taxing committee, medical doctors and not laymen. One layman on the committee would be worth while, but I think the majority should be medical doctors. I have every confidence in them and their understanding of what a fair bill is.

The purpose of this Bill is to preserve what I consider to be at present one of the best systems in North America. This will avoid abuses. I think the Member for Spirit River-Fairview obtained some free legal advice. It must have been free, because it's not totally correct. This legislation does not displace the normal civil law with respect to contracts.

I have no hesitation in supporting this legislation. I again applaud the minister.

DR. REID: Mr. Speaker, I would like to make some remarks in this debate on second reading of Bill 94. First of all, I would like to congratulate the minister on having the courage and hopefully the wisdom to be a little different from every other jurisdiction. In fact he may have come up with the answer to the problem that is universal with socialized medicine and has begun to develop in the only partially socialized system in this country of Canada. No other jurisdiction has come up with the answer. I'm going to range fairly widely across the world, but I'm going to limit my remarks to some extent.

So-called opting out has not been an unmitigated success, to put it mildly. In some areas of Ontario they've had all the medical profession in a given area opt out. I don't know that that gives universal access to medical care. In other places, it has been groups of the medical profession who have opted out, so that one cannot get an orthopedic surgeon who is in the system. I don't think that gives universal access either, if you have a broken leg.

The Quebec system is very young at the moment. In Quebec, you have the government system. You are in it; your income is completely set by the government of Quebec. If you leave, your patients have to pay all the bill themselves. This has already been described. It's a young system, but already 23 doctors have opted out. Historically Quebec has gone for the British system, but with a fee for service, where the doctor is paid according to the items of service he performs, whereas the British system is a capitation fee, which means the doctor gets so much per patient on his list per year regardless of the number of services. With that one difference, the Quebec system is almost identical to the British National Health Service. The Australians have tried other systems — partially in, partially out. I understand they're not working very well either.

Let's take a look at the country I came from. One of the reasons I'm here is the system they developed. I don't know if I had the foresight, intelligence, or luck to leave it when I did. Looking back 25 years after I left it, I find a system which is now two tiers. There is the National Health Service, the father of all socialized medicine. What happens there is that those doctors who work within it are grossly overworked. The patients have to wait long periods of time. The care they get is now rated as the worst in western Europe — and I'm prepared to argue that point with anybody. The waiting lists are now such that if you develop a hernia at age 55, you will be getting the old age pension before you have your operation. That is not a system of medical care.

The other system that has developed in Britain since the National Health Service — it did not exist before — is private medicine, the other part of the Quebec system, the current 23. That system has now grown to the extent that new hospital construction for private care beds is greater than hospital construction within the National Health Service. Some of the most enthusiastic users of the private medical system in Britain are now the unions and their executives. They purchase insurance to have a system that parallels the one supported out of their tax payment system. They go to that system out of preference and pay the insurance. To me, that is not a *bona fide* alternative. It has been the end result of what is in Quebec a short-term, politically acceptable answer.

I would be prepared to lay money that if they persist with the system they have introduced in Quebec, they will end up with the British health service equivalent and with a lot more than 23 doctors opted out of the system. They will end up with a private insurance system, because people will not accept the standard of care of the British health service in perpetuity. Even the long-suffering British didn't put up with it.

Mme. Begin has suggested she would like to see the same system as Quebec's introduced across the country. But she did have the wisdom, unusual wisdom in that particular cabinet, to think and realize that maybe the other ministers of health had something on the ball. She therefore decided to defer her decision until more investigations were performed.

Let us now look at the present situation in this province. Approximately 2,400 doctors in this province practise medicine and use the provincial medicare system. I don't think any doctors are completely opted out of that system. I'm open to correction on that if somebody can find one or two. Of those 2,400, 1,500 do no extra or balance billing. That's a pretty good majority. Eight hundred extra bill — and I'm going to use the word "extra bill" from now on, for obvious reasons — to an extent that averages \$4,000 for each of those 800 doctors. That \$4,000 has to be taken in the context of approximately \$80,000 average gross billings to medicare. So it amounts to \$4,000 on \$80,000 gross. The 40 per cent expenses come off that. We are then left with a residue, who number a shade less than 100, who extra bill an average of \$40,000 a year. These doctors are an embarrassment to their colleagues, and to everybody who thinks of that sum. It's wise to put it into dollar figures, because you realize they are a small group in number but very significant in the problem.

The legislation introduced by the minister gives the College of Physicians and Surgeons — and for the benefit of the hon. Member for Spirit River-Fairview, the Alberta Medical Association and the College of Physicians and Surgeons are two different bodies with very different functions and responsibilities. The college is well used to exercising that supervisory and, if needed, disciplinary function that is required in any self-governing profession. They're well used to performing that function. They do it with wisdom, usually with fairness, and with considerable expertise.

It has always been unethical to charge a patient a fee unreasonable for the economic circumstances of that patient. Among those 800 doctors who average \$4,000 a year, it would probably be very difficult to find one instance of unethical billing practices. I don't think we'll find much difficulty with those 800. But under this legislation we are going to give a committee of the College of Physicians and Surgeons the power to watch over those doctors in that group of approximately 100, with the wisdom and expertise they have shown in other disciplinary matters. I would offer the possibility that they may well be able to cope with this small group. If they do, we will then have a continuation of the best medical care and system in the free world. We will have a profession that has professional freedom. We will have patients entitled, if they wish, to optionally pay an extra fee for extra service. Incidentally, a fair number of patients expressed that desire. We will also have a system that is fair and available to all.

MR. GOGO: Mr. Speaker, speaking to second reading of Bill 94, I've been intrigued by many comments I have heard tonight. I would like to add what I can to the debate.

First of all, I think it's very important that we understand the issue, and why the minister and government have presented this Bill before us now. The issue is very simply that of Alberta's 2,800 physicians, of which about 1,600 who are earning over \$40,000 a year are called full-time, about 36 or 37 per cent are extra billing, balance billing, super billing, double billing or whatever — it's more than the schedule of fees.

Now I am well aware the minister's been under some degree of pressure from all sides to come up with some remedy for the problem. I think he's given an excellent overview of the background. Reference has been made here tonight, for example, that the amount of extra bill-

ing is only 4.5 per cent of the billings. Let's tell it like it is. It's \$10 million; that's what it is. It's 4.5 per cent of \$202 million, without counting chiropractors, optometrists, and the rest. So I don't think there's any argument that it's significant.

Does it hurt people? That's a value judgment. One, two, or three dollars on entry to a physician's office is probably not going to hurt anybody. But if a patient is on a stretcher outside an operating room and the gas man says it's \$100 or you don't get the anesthetic, I suggest that's a hardship, not only a hardship but a traumatic hardship. That's happened, and hon. members know it's happened. That's part of what it's all about. I think the minister made very clear that 12 per cent of Alberta's physicians are responsible for — I recall him saying — 48 per cent of the extra billing. So I don't think for one minute we should stand here and in some way indicate that the medical profession in this province is not providing a good product at a reasonable fee. I don't think that's the intent.

I would want to point out — and I think other members have — that we're unique in Canada. We're the only province that has this system. But we're unique in other ways too. So maybe that's not sufficient reason for changing.

I think a reference was made by an hon. member to the doctors' strike in Saskatchewan. One can't help remember 1962 or '63, when the famous — or infamous, depending on your point of view — doctors' strike occurred that lasted some considerable time. The death rate dropped noticeably, and one wonders if there's not some merit to that kind of thing.

I read a study a couple of years ago by a select committee of the Ontario Legislature that pointed out that extra billing in fact increased morbidity. If someone had a headache and couldn't or wouldn't pay the \$5 extra billing, they put it off. It then became a more serious problem. Oddly enough, the same study pointed out that for those who were significantly well off the incidence of visiting physicians went up. That's kind of interesting. In other words, it may have had the opposite effect.

Reference has been made tonight about fee schedules being the second highest in Canada. It's no secret from Revenue Canada that every year, physicians are at the top of the income level in Canada, and why shouldn't they be? I don't think we should really confuse that fact. I think a major part of the issue is that we've seen some perceptible shift in the pecking order. In the last 10 years in this province, we've seen where lawyers, accountants, architects, and anyone else whose income is on a commission or fee basis, have been significantly rewarded because of inflation, but not the physician. He's been hemmed in. Almost to a man I think we all say on principle that professional people should be able to determine their own fees. The objection I hear is that the state shouldn't be collecting the fees at this end. That's really the objection I hear.

The minister has offered what I think is a pretty reasonable compromise. He pointed out that he's trying to resolve a problem in a way that's acceptable to most people. It wouldn't hurt us to reflect very quickly for a minute on what Alberta has done for people in the way of medical care. At the last annual report published by the minister, virtually a year ago, we have 2,150,000 people who are covered by medicare, at a cost — it doesn't matter who pays — of \$100 a person. It's probably quite reasonable in terms of medical care for the degree of society we have, particularly when we see that over

66,000, probably now 75,000, people make a claim against the system every working day of the year. I suggest that's pretty significant.

But it's also interesting to point out, when we look at those who through no financial participation of their own, have one of the best health care systems in the country — again we're going back to March 31, 1979, which is some time ago. But 125,000, by the magic of their birth, don't pay anything. Whether they are millionaires or paupers is not the point; they are 65 or over. We have at least 59,000 who earn less than \$4,500 a year, and as a result pay no premium. We have those fortunate or unfortunate social allowance recipients, to the tune of 35,000.

In addition to that, Mr. Speaker, we have a significant number of people each year who, because the type of medicine is not available in Canada, must go to far-off places for special types of medicine. Where hardship is involved — and I mean significant hardship — the department almost invariably is more than eager to relieve that hardship by assisting, because they turn down very few. Sometimes the bill is up to \$60,000.

I think we have a very good system in place. I for one wouldn't like to see that system jeopardized. I'm not saying there are not some faults. I read the publication of the Alberta Hospital Association. The rate of surgery in this province is 50 per cent higher than any province in Canada. I think they're going to have to justify that, but it's a statement they made. It immediately gives the impression there are a lot of knife-happy people. Maybe there are, but Albertans are unique too. Maybe surgery is a better — and it's a professional matter; it's not a matter for a layman. The type of treatment that goes on in this province may well be different.

When one looks at incomes of physicians, particularly in rural Alberta with the long days they put in — and as we know, there are very few specialists in rural Alberta. Then we look, for example, at dermatologists, who receive the highest incomes in the province. One cannot help but wonder if the distribution system of the medicare dollar is shared the proper way. That's a question I've always had in my mind. How do we do it? We leave it up to — and here I would take issue with the Member for Spirit River-Fairview — the union, called the AMA, not the College of Physicians and Surgeons, to cut up the pie. We fund the pie, but we really don't have much say in how it's sliced. I don't want to comment on union activities as I see he's leaving, but . . .

The other point I would like to make, Mr. Speaker, is that reference was made by the minister that of each dollar we pay a physician under the fee-for-service system, 40 per cent, or 40 cents, is assumed to be overhead or operating cost and 60 per cent is professional services. That seems quite reasonable to me. A very well known firm, I think Price, Waterhouse, did a study not many years ago, and it was around 38 to 40 per cent. So the cost of doing business, for the sake of argument, is about 40 per cent. I think the minister recognized that a year ago when the 15 per cent increase was given; it was given on that basis.

But it's also interesting to point out that those who are extra billing in this province — if the fee schedule is \$100, and \$60 is for professional services and \$40 is for overhead, then why the extra bill of \$100 on top of that? Surely, you only pay overhead once. I frankly believe there are at least some grounds for looking at that.

Let me conclude, Mr. Speaker, because I'm sure other people would like to get into this. In Bill 94, the minister

has come up with a system called the taxing system. Frankly, I don't know how it works in a legal profession. I've got a hunch it doesn't work at all. But each time that I've had a concern and talked to one Dr. le Riche of the College of Physicians and Surgeons, it's been more than adequately dealt with. So I have great confidence in the College of Physicians and Surgeons resolving matters that are brought before them. There's no question in my mind. The minister has said, let's give it a whirl; let's try it. I think the minister should be commended for that, because rather than not react, rather than not do anything, I think he's recognized what I believe is not a significant problem to a lot of people. But it sure is a significant problem for those patients who are affected by the primarily 12 per cent of the physicians who extra bill, super bill or double bill 48 per cent of the extra billing.

DR. CARTER: Mr. Speaker, rising to speak with respect to Bill 94, it's been interesting to listen to some of the comments, especially with the last speaker. He and I have been involved with a certain committee involved in the research on some of the background information here, and again tonight he's managed to carry on the same tradition. At times I've wondered which side of the argument he really is on.

MR. R. CLARK: So does he.

DR. CARTER: It's interesting that from one of the statements he made, about the \$10 million figure, if that is the exact figure, that works out to \$5 per person for each resident in Alberta at the moment. Notwithstanding all that, the member certainly does his homework, and is certainly quite energetic and always very stimulating.

Images change, and we shouldn't worship false images at the best of times or at the worst of times. I think one profession that oftentimes gets involved in the matter of being a false image is the medical profession. But certainly images do change. This is no longer the generation when either doctors of divinity or medical doctors get paid off in potatoes or chickens. I must assure the House that neither the Member for Edson nor the Member for Calgary Millican extra bill.

One of the important points that has come out this evening is the fact that not all the medical doctors in the province are participants in the Alberta Medical Association. But all of them are indeed members of the College of Physicians and Surgeons. From my point of view this is where part of the difficulty comes in the discussion of extra billing, because when the global funding is transferred from the government to the AMA . . . [the member coughed]

SOME HON. MEMBERS: You need a doctor.

DR. CARTER: Which type? [laughter] Isn't it wonderful, Mr. Speaker, how helpful everyone is?

MRS. OSTERMAN: Physician, heal thyself.

DR. CARTER: I didn't realize so many of my colleagues knew the bible quite so well.

The matter in respect of the funding that is transferred from the province to the AMA for distribution is of concern to me and to some of the medical practitioners whom I know because of some of the arrangements that are left in there. While the government does not interfere in the exact distribution of funds, it then means that

certain allocations are, to my mind, inequitable. By way of example, I think of one physician friend of mine, part of whose time is spent in medical research. After the last distribution of funds, he ended up being paid a princely sum of 50 cents per visit more than what he had been receiving previously. In addition, because he was working with the University of Calgary, he was prohibited from seeing beyond X number of patients. There are other examples that can be brought to the floor if need be.

Of course one of the concerns and the whole matter of the issue, is whether those four basic principles of the plan are in effect: the matter of universality, whether the fund is publicly administered, non-profitable, and transferable. To the best of my knowledge, all four of those principles are kept in effect within the boundaries of Alberta.

As others have commented this evening, so I agree that the minister has given a very careful statement of the history in the province. He has very carefully delineated some of the developments over the past number of months in particular. I believe the minister should be commended for his patience — I suppose that's a play on words, given the topic. He has shown eminent patience in dealing, not only with the medical profession, but with all the persons throughout the province who wrote or contacted him; those who have been dealing with regard to their own private opinion in this whole matter.

As mentioned, one group that worked to give some bit of input to this whole area came forward with a number of recommendations, and a number of these were put into effect. The minister mentioned that the total benefit/cost was something like 1 per cent of the package. I believe at least some of these things should be read into the record as being put in place as a means of trying to come to grips with the whole problem to make it more equitably managed in the province.

For example, benefits for services provided on Saturdays be equivalent to benefits for services provided on Sundays and statutory holidays. I believe the estimated cost of that was something over \$200,000. Again, benefits for both consultations and procedures would be paid when they're provided on the same day. Visits and diagnostic procedures should both be paid for when they are

provided on the same day regardless of where the service was provided. That was something over \$1 million. Benefits should not be reduced for secondary procedures or complications: \$27,000. Then a very large amount involved with tray-service benefits. Over and above all that, as the minister rightfully mentioned, was a legitimate taking into account of overhead costing. That was a very substantial kind of movement on behalf of the government seeking to try to deal expeditiously and equitably with those involved, to try to do away with this whole matter of the practice of extra billing, if at all possible.

It is my understanding that within the next number of weeks or months the provincial ministers of health will again be meeting for further discussions, and that later on they will be meeting with their federal counterpart. I know some of us in this House really do believe that Bill 94 is indeed one step forward in terms of the process, and that introduction of the taxing office component should add immeasurably in terms of trying to come to grips with this whole problem.

Of course there is still one other avenue if this kind of procedure and this patient and, I think, very precise and reasoned approach on behalf of the government does not succeed in what one hopes to be the successful conclusion of this issue.

MR. R. CLARK: Mr. Speaker, I beg leave to adjourn the debate.

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, tomorrow we would be calling committee study of Bills on the Order Paper, starting with Bill No. 8 and continuing thereafter in order. If there is additional time, we would perhaps deal with the debate that's just been adjourned, in regard to Bill 94, and potentially motions 17 and 18, both of which are routine procedural motions, in my name on the Order Paper.

[At 10:19 p.m., on motion, the House adjourned to Friday at 10 a.m.]