

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Wednesday, April 7, 1982 2:30 p.m.

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. SPEAKER: Before asking our distinguished guests in the gallery to accept a welcome, on your behalf I'm going to try to welcome them in their own language. At the conclusion of that, I will ask the Assembly to give a special welcome to our distinguished guests, the Ambassador of Japan and Mrs. Mikanagi and the Consul General and Mrs. Sada.

Mikanagi Taishi-kakka, Sada Soryoji, Watakushi-wa, Arubata-shugikai-wo daihyoshite Mikanagi Taishi, kokoro-kara, kangei itashitai-to, omoimasu. Kono kikai ni watakushitachiwa, nihonokokumin-ga nashitogeta idaina seika, oyobi nihon-no bunka-to dento-ni-taishi, shoshan-no-i-wo hyomei itashitai-to omoimasu.

Mata, nihon-ga kogyoka-shakai-ni-oite, saikono kachito gensoku-no ninshiki-wo kiban-to-suru, seikatsu-no shitsu-teki-kojo-wo hakaru-tameni, sekai-no shidoryoku-wo hakki-site irukoto-ni-taishi, kei-i-wo hyomei shitai-to omoimasu.

Taishi-kakka, kansei-ni shilagai, Gikai-Zen-in-no kangei-wo ukerutami, gokiritsu-negaimosus.

[As submitted]

Would the honorable guests please stand and receive the welcome of the Assembly.

head: INTRODUCTION OF BILLS

Bill 242

An Act to Implement Recommendations
of the Auditor General

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill No. 242, An Act to Implement Recommendations of the Auditor General.

The principles in Bill No. 242 are: one, that all investments outside the province of Alberta from the Heritage Savings Trust Fund must be made as a result of discussion in the Legislature; two, that all investments in Crown agencies or corporations must be made as a consequence of discussion in the Legislature; and three, that there should be strengthening of the role of the heritage trust fund standing committee.

[Leave granted; Bill 242 read a first time]

Bill 31

Fire Prevention Act

MR. YOUNG: Mr. Speaker, I wish to introduce Bill 31, the Fire Prevention Act.

Bill 31 is a revision of the existing Fire Prevention Act and of the Lightning Rod Act. The two major elements

are as follows: it provides for the adoption of a uniform fire code, which will apply province-wide; and second, it provides for an Alberta fire prevention council, which will give advice and hear appeals from orders issued by fire prevention officers, should the recipient wish to appeal.

The Act will continue to be shared municipally and provincially, in terms of its administration. The Fire Prevention Act will apply to the safe maintenance of buildings after their construction. The Uniform Building Standards Act and its regulations will continue to govern the construction of new buildings.

[Leave granted; Bill 31 read a first time]

Bill 243

Provincial Pensions
Liability Reporting Act

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill No. 243, the Provincial Pensions Liability Reporting Act.

Very briefly, the principle in Bill No. 243 would be the implementation of the Auditor General's report with respect to reporting unfunded pension liabilities by the province of Alberta; in particular, the local authorities pension plan, the public service pension plan, the public service management pension plan, the MLA pension plan, the universities academic pension plan, the special forces pension plan, and the Teachers' Retirement Fund plan.

[Leave granted; Bill 243 read a first time]

head: TABLING RETURNS AND REPORTS

MR. R. SPEAKER: Mr. Speaker, I would like to table two documents today. They are telegrams, one to Gerald Bouey, Governor of the Bank of Canada; the other is to the Prime Minister.

The telegram to Gerald Bouey indicates three basic things. One is that the governor is asking us as Canadians to tighten our belts. Well, at the same time I'm saying to the governor, what personal decisions are you making in that way? The second is that the governor should take more seriously his responsibility for the economy of Canada. The third is that the governor should recognize some of the economic havoc his economic policies are having on our economy, specifically in Alberta.

Mr. Speaker, my telegram to the Prime Minister indicates very clearly to him that they have not taken their responsibility in the economic determination and future of Canada, and that they have moved away from that responsibility, placing it with the Governor of the Bank of Canada. I'm saying that it's time the Prime Minister of this country again take on his elected responsibility and determine the economic policy for Canadians.

MR. SCHMIDT: Mr. Speaker, I beg leave to file the 1981 progress report for Farming for the Future.

MR. KROEGER: Mr. Speaker, I'd like to file four copies of the annual report of Alberta Transportation.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. RUSSELL: Mr. Speaker, approximately one year ago today, the government appointed a panel of Alberta citizens to review, in depth, the nursing home system in Alberta. Those citizens are with us today. They're in Edmonton to complete the last couple of days' work prior to sending their report to the printer. In introducing them, I must say that they've done an incredible amount of work, visiting all nursing homes in Alberta, as well as all other provinces in Canada. When the assignment was given them, nobody dreamt how much time and effort would be involved in this job. They have worked very hard.

They are here today, and I would like to introduce them to you. Dr. Harry Hyde is the chairman of the review panel. He's a physician and surgeon from Edmonton, and past-president of the medical staff of the Royal Alexandra hospital. Mr. Syb Vandermeuler is an Edmonton businessman, and has served as a director of the board of the Christian Senior Citizens' Homes [Society] in Edmonton. Sister Jean Golden is from Calgary. She's a member of the Roman Catholic Sisters of Loretto, and has done extensive research and practical work in the field of senior citizen housing in southern Alberta.

Mrs. Barb DeSutter is a housewife from Calgary, and in the past she has worked as an administrator in a nursing home in Calgary. Mr. Kevin Taft is a postgraduate student at the University of Alberta, and for seven years has been a member of the Health Facilities Review Committee for the government of Alberta. Mr. Mac Duffield, a businessman from Innisfail, is not present today, but he is a past member of the Innisfail General hospital board. Mrs. Patricia Weatherup is a housewife from Lethbridge, with a long history of community service. She is presently a board member of the Children's Provincial hospital in Calgary.

I ask them to rise and receive the warm welcome of the Assembly.

MR. CLARK: Mr. Speaker, it gives me a great deal of pleasure today to introduce to you, and through you to the members of the Assembly, 25 students from Greentree junior high school in Drumheller. These students are members of what they call the phoenix class, a class for the gifted. They are seated in the public gallery, accompanied by their group leader Mrs. Ian Sallows, and by Mrs. Chapelski, Mrs. Garrett, and Mr. Deboer. I might add that Mrs. Chapelski also happens to be the wife of my constituency president. I ask them to rise and receive the welcome of the House.

MR. CAMPBELL: Mr. Speaker, it's my pleasure this afternoon to introduce to you and to the rest of the Assembly 14 students from the Benalto school. They are seated in the members gallery, accompanied by their principal Mrs. Audrey Brattberg, and by parents Mrs. Pam Merasty and Mrs. Parrott. I ask them to rise and receive the warm welcome of the Assembly.

DR. PAPROSKI: Mr. Speaker, I'd like to introduce to you, and through you to the members of the Assembly, 48 students from the Northern Alberta Institute of Technology, located in Edmonton Kingsway. They are accompanied by their instructors Mr. D. Mayan, Mr. P. Atwal, and Mr. D. McFarlane.

I had an opportunity to meet with the students. They asked some very pointed questions regarding student

loans and financing, and they know the tremendous support this government is providing in that area. They asked for information about interest rates, and they know we are advocating made-in-Canada interest rates. In any case, Mr. Speaker, I welcome them to the Legislative Assembly, and I congratulate them for taking an interest in the legislative process. I ask them to rise and be recognized by the House.

MR. CHAMBERS: Mr. Speaker, it is my pleasure to introduce to you, and through you to the members of the Assembly, a group of 30 grade 6 students from Caernarvon elementary school in the Castle Downs area of Edmonton Calder. The students are accompanied by their group leader Mr. Dane, and by teacher Miss Sittler. I believe they are seated in the members gallery, and I ask them to stand and receive the welcome of the Assembly.

head: **ORAL QUESTION PERIOD**

Oil and Gas Industry Assistance

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Energy and Natural Resources, with regard to the communication about the national energy program, or energy agreement, announced last week by Mr. Lalonde. Has the minister had the opportunity to assess that announcement further, as to the impact it could have with regard to improved markets for Canadian crude oil?

MR. LEITCH: Mr. Speaker, my assessment is the same today as it was when I responded to the announcement some time ago. We are currently working with the province of Saskatchewan and developing some finite, additional proposals with respect to this problem, and I anticipate that they will go forward in the very near future.

MR. R. SPEAKER: Mr. Speaker, in light of the comment, could the hon. minister indicate whether a meeting to finalize and review the present situation has been established with the federal minister; one, to finalize new agreements and two, to review the announcement made last week.

MR. LEITCH: Mr. Speaker, I assume the announcement the hon. Leader of the Opposition is referring to was with respect to changes in the export policy, both as to price and permit length, and other changes related to the shut-in production problem. I'm getting a nod, so I take it that assumption is correct. The answer as to fixing a meeting when we could deal further with those issues with the federal Minister of Energy, Mines and Resources: that has not yet been done.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to the shut-in oil. Could the minister indicate whether, in recent reviews — even since the announcement of April 1 — he has indications that the amount of shut-in oil will decrease or increase? What are the present projections?

MR. LEITCH: Mr. Speaker, I think that question is the same as the first question today. If it isn't, I will have to ask the hon. Leader of the Opposition to expand it.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the hon. minister. Indications are that some 200,000 bar-

rels a day of sweet production alone could be shut in by the end of 1982. I wonder if the minister could confirm, reject, or revise that specific figure.

MR. LEITCH: No I couldn't at this time, Mr. Speaker. We will be assessing and reviewing that. When I have definitive information, I'll be very pleased to provide it to the House.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to the energy pricing agreement. In light of present circumstances and the announcement last week, could the minister indicate whether some significant changes are being considered for that agreement at the present time?

MR. LEITCH: Mr. Speaker, what I'm having difficulty following is the hon. leader's tying of the announcement relating to the production shut-back problem to the agreement. Perhaps he could expand a bit on that relationship.

MR. R. SPEAKER: Mr. Speaker, the relationship is as follows: the continuing world prices are on the decrease, and that will certainly impact the domestic industry; the domestic industry is affected by the pricing agreement that is in place. That's the relationship.

MR. LEITCH: Mr. Speaker, if the hon. Leader of the Opposition is relating the softening of world prices to the shut-in production within Alberta, I do not think that is the case. I think Canada is still importing oil. As I outlined in the Assembly earlier, we really have an incomprehensible situation in Canada, whereby we're importing oil and thereby exporting Canadian jobs, in effect; also weakening the Canadian dollar and adding upward pressure to interest rates at a time when Canadian production is shut in. But that is a matter of the import policies of the federal government, not really a function related to the world price of oil.

Regardless of that price, from a Canadian economic point of view, and certainly from the point of view of the industry located primarily in Alberta, we should not be importing oil when there's shut-in Canadian production.

MR. KESLER: Mr. Speaker, a supplementary question. In light of the disastrous bankruptcy and receivership situation in the service and oil industries in Alberta today, would the minister undertake to introduce immediately some temporary measures to save the industry, until he is able to reach a conclusion on the major programs he has indicated he has on the drawing board at this time?

MR. LEITCH: Mr. Speaker, I don't want to take issue with the hon. member's use of the word "major". I don't think it is one I used. I said that an extensive review of possible changes that would be of benefit to the industry is under way. I pointed out that as part of that review, we have had a number of discussions with industry associations and with representatives of the industry and, bearing in mind the time constraints the hon. member alludes to, we will be dealing with it as soon as we've completed that review.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. This relates to the discussions being held with Saskatchewan, as well as with the oil import compensa-

tion program. In their representations in the near future, will the provinces ask the federal government to change that import compensation program, so domestic oil will have a better chance in the market place?

MR. LEITCH: Mr. Speaker, in a variety of ways, we have made vigorous submissions to the federal government to change that program. We will continue to do that. Of course, there are other alternatives to resolve the problem of shut-in western Canadian production. One would simply be to permit greater exports into the United States market. After all, if we're going to import oil into central Canada, at the expense of shutting in western Canadian production, we could obviously export the western Canadian production and receive roughly the same price as is being paid for the importation of off-shore oil.

MR. KESLER: Mr. Speaker, a supplementary question. Could the hon. minister indicate what specific measures the government has in place today to help Albertans involved in the oil field service industry fight off the threat of bankruptcy, at this time of government-induced recession?

MR. LEITCH: Mr. Speaker, I take it that the matters in place at the moment are public record and, presumably, are well known to the hon. member.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. Minister of Energy and Natural Resources or to the Premier. I understand that meetings are being held with oil and gas incentive committees, I believe — or committees — in Calgary and Edmonton. Could the hon. minister or the Premier indicate what those discussions are, in terms of the oil and gas industry? What are some possible recommendations coming out of those discussions?

MR. LEITCH: Mr. Speaker, I don't recognize the phrase "incentive committees", if that's what the hon. Leader of the Opposition used.

MR. KESLER: Survival committees.

MR. LEITCH: As I said, discussions have been going on with industry associations, individual companies, and others within the oil and natural gas industry.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Are those discussions at an end, at this point? Will there soon be recommendations to the Legislature from those discussions, to assist the oil and gas industry?

MR. LEITCH: Mr. Speaker, those discussions are not at an end. They are ongoing and will continue. When decisions have been made by the government, they will be announced publicly, and I expect discussions to continue after that. I don't think there's ever an end to discussions, on a variety of issues, between the department or me and industry associations and representative companies from the industry.

MR. R. SPEAKER: Mr. Speaker, the question to the minister is very specific. This is what we all want to know: when will some specific announcements come before this Legislature? How long can the minister stand in his place and say that someday, something is happening?

We can't have economic stability in this province, with that type of indefinite position of this government.

MR. LEITCH: Mr. Speaker, I know the hon. Leader of the Opposition always likes to get a time commitment, because he feels it's a great benefit to him.

DR. BUCK: It's now.

MR. LEITCH: It's clear that we are not in a position to provide a time commitment. That question has been asked a number of times in the House, and I can't add anything to the answers I've already given to them.

MR. KESLER: Mr. Speaker, a supplementary question.

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

MR. KESLER: Could the hon. minister indicate what groups or organizations of the industry are representing their point of view on the issues being discussed at this time?

MR. LEITCH: They're all representing their point of view, Mr. Speaker.

Land Assembly Guidelines

MR. R. SPEAKER: Mr. Speaker, my second question was to the Minister of Municipal Affairs, but I would like to direct a question to the hon. Premier. It follows the question raised yesterday about agents purchasing land for government. We started on the question yesterday, and this refers to Volume 2 of the inquiry, September 23. On page 132, Royal Trust Company said to the potential vendors of land that they represented a board of directors out of Toronto, and this was really a deception to the people of our province.

My question to the Premier is: was that directive given by government, or was government aware of that tactic being used? Is it being used in any other purchases, such as land acquisitions north of Calgary at present?

MR. LOUGHEED: Mr. Speaker, I believe that question was at least partially answered by the Minister of Housing and Public Works last fall, but perhaps he'd like to respond further today.

MR. CHAMBERS: Mr. Speaker, that's correct. I answered that exact question by the Leader of the Opposition last fall. However, I don't mind repeating the answer. No direction was given to the agent by me or any of my officials, other than to respect the confidentiality of the client.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. Minister of Housing and Public Works. After the minister became aware of this, and since the question was asked last fall, what action has been taken to indicate to the company that the government does not support that kind of tactic? If the minister has done nothing about it, would the minister admit that the government of Alberta does support that kind of deceptive ...

MR. SPEAKER: Order please.

MR. CHAMBERS: Mr. Speaker, I'm sorry about laughing at the indignation of the hon. member.

An agent is selected and given the direction that he should respect the confidentiality of the client. One cannot go further than that. I don't know whether or not the agent's board of directors is in Toronto, and it's not my duty to pursue that. I certainly don't condone being other than truthful. The only direction any agent in land acquisition anywhere in the province is given is to respect the confidentiality of the client; in this case, the government.

MR. R. SPEAKER: Mr. Speaker, by their own admission, these people lie ...

MR. SPEAKER: Order please. [interjection] Order please. If the hon. leader has a question, would he please come to it?

MR. R. SPEAKER: I am, Mr. Speaker. I'm just saying: why does this government allow an agent on their behalf, a representative of the Conservative government, to lie to the innocent people in this province who wish to sell their land? Why? And is it continuing in the purchase of land north of Calgary at the present time?

MR. CHAMBERS: Mr. Speaker, there's a limit to how far any government or client can go, in terms of hiring an agent. You give the agent the assignment, and you give him the instruction that he respect the confidentiality of the client. The hon. Leader of the Opposition used the word "lie". I wouldn't say that.

MR. R. SPEAKER: It's here, in black and white.

MR. CHAMBERS: I don't know. It's not my responsibility to say that. Whether his board of directors is in Toronto is not really our concern.

MR. KESLER: A supplementary question, Mr. Speaker. In the statements made so far, is the minister saying to the Assembly that when the agent is hired, he is no longer responsible to the minister in charge?

MR. CHAMBERS: That's not what I said at all, Mr. Speaker. I merely said that in practical terms — and I would enjoy having a prolonged debate on this, if hon. members wish — we acquire an agent. The agent acts on behalf of the client — in this case, the government — and has simply one instruction: to acquire property. We give the agent guidelines in terms of where and what price. They're given one instruction: to respect the confidentiality of the client. Beyond that, one cannot be responsible for what any one of the number of agents might say, but I hope they're truthful in all cases.

MR. KESLER: A supplementary question, Mr. Speaker, to the hon. minister. He mentions guidelines. Are no ethics guidelines established when that agent is put in place to represent this government?

MR. CHAMBERS: I think I'm answering the same question again and again, but I'm quite happy to keep doing that. I think we have a very reputable group of agents in this province, whether trust companies or real estate agents. I think their standard of ethics is generally high. I respect that. As I said, we give them the instruction that they're to respect the confidentiality of the client. I rely on their professional integrity.

MR. NOTLEY: Mr. Speaker, a supplementary question, if I may. After the testimony the Leader of the Opposition referred to, did the minister of the Crown review the testimony? And if he did, was any consideration given to instructions to agents on the question of what can best be described as misrepresentation to the people of Alberta? If not, why not?

MR. CHAMBERS: Mr. Speaker, I'll keep answering the same question as long as you permit it. Agents are professional people, and they have a professional code of ethics. We hire an agent to acquire land somewhere in Alberta and, other than the guidelines we lay out with regard to location, size, price, and so forth, the only instruction we give them is to respect the confidentiality of the client. The hon. members opposite may not, but I have high regard for the professional integrity of that profession in Alberta.

MR. NOTLEY: A supplementary question. The minister talks about professional ethics. Fair enough. Was there any review by the minister with the professional organization in this particular instance, concerning what can best be described as troubling evidence of an approach taken by an agent of the Crown, which appears to have involved misrepresentation? What review did the minister give to discussing the professional ethics of that particular purpose?

MR. CHAMBERS: Mr. Speaker, I wouldn't be one to say that anything the representative of that firm gave in testimony was incorrect. I don't know. That was a submission to the inquiry, and I'm not about to sit in judgment as to whether what he said was valid or invalid.

DR. BUCK: Mr. Speaker, a supplementary question. Can the minister indicate how many agents the government was considering before the minister, or a cabinet committee, selected the company to act on behalf of the Crown?

MR. CHAMBERS: As I recollect, Mr. Speaker, last fall I answered that identical question from the Member for Clover Bar, but I don't mind repeating the answer. Again, depending on the acquisition, one would look at the number of agents from that firm who happened to be available at that given time and at that given place; perhaps the expertise of the firm in that area. A lot of factors are taken into account.

I can recall the Member for Clover Bar suggesting last fall that I should put that out to tender, and I think he agreed with me afterwards that it was not a practical suggestion. Anyway, given the fact that there are all kinds of capable agents out there, and given the nature of the transactions, one has to select an agent one thinks is well adapted to that particular transaction. Now, it may be that in another transaction in the same area, we'd use a different agent.

DR. BUCK: Mr. Speaker, a supplementary question. I well remember the questions; I just want to make sure the answers are the same.

Did the minister just select one firm and say, that's who we go with? Were there one, two, or three other firms on the so-called short list? That's usually the way things operate: you have a list, then you get down to the short list. Can the minister indicate the companies that were on

the short list before he made his decision to go with the company chosen?

MR. CHAMBERS: Mr. Speaker, the short list obviously was reviewed and, in this case, Royal Trust was selected. I don't think it would be of use to anybody to try to recollect the number of other firms that might have been considered at that time.

MR. R. SPEAKER: Mr. Speaker, a final supplementary. Can the hon. minister assure this Assembly that any agent acting on behalf of the government, and specifically the ministry of Housing and Public Works, is not practising acts of deception while purchasing land or other property for the government of Alberta? Can the minister assure this Assembly that presently there is no repetition of the act we see on page 132 of this report? We in this Assembly must be assured of that fact.

MR. CHAMBERS: Mr. Speaker, for many years, the government — and in fact, the government before this government — has been in the process of land banking all over this province for a multitude of purposes: senior citizens' housing, residential housing, our very successful industrial land program, and institutional purposes. Of course, sometimes it's done by in-house people, but we don't have many in that area. Therefore, it's normally done by agents, sometimes real estate agents and sometimes trust companies, depending on the size and the nature of the transaction. That involves a lot of agents all over this province.

They're given the instruction that they are to acquire land for the client on a confidential basis. They have a profession with a code of ethics. I think they're a very ethical profession, and I expect them to maintain those ethics. If the hon. Leader of the Opposition was asking me to drive all over this province and interview every agent personally, of course that's impractical. I have no doubt about the ethics of the people operating out there, and I expect them to operate in a very ethical way.

MR. R. SPEAKER: Mr. Speaker, a supplementary question.

MR. SPEAKER: I understood the last one to be the hon. member's last supplementary, and I was inclined to agree with him.

MR. R. SPEAKER: Mr. Speaker, will the minister take the responsibility to report any agent who acts in terms of misrepresentation or deception in purchasing land on behalf of the government of Alberta? Will the minister take on that responsibility for this Legislature? Yes or no? None of this other kind of drawn-out, garbled answer.

MR. CHAMBERS: M. Speaker, the leader doesn't want a drawn-out answer, but he keeps asking the same questions over and over. I keep answering as completely as possible.

MR. R. SPEAKER: Will you take the responsibility or not?

MR. CHAMBERS: I just went through a very elaborate explanation of the process.

MR. R. SPEAKER: You said nothing.

MR. CHAMBERS: Again, I have confidence in the profession. The Leader of the Opposition probably doesn't. [interjections] I don't know whether that's a fact or not. [interjections] Mr. Speaker, whenever I get the floor back, I would like to say that I expect . . .

MR. R. SPEAKER: Was that an act of deception?

MR. SPEAKER: Order please.

MR. CHAMBERS: . . . that any agent acting on behalf of the province will act in a reputable way, in accordance with a perfectly normal, good code of ethics. I expect that. They are given the instruction that they should maintain the confidentiality of the client. That's it.

MR. NOTLEY: Mr. Speaker, a supplementary question.

MR. SPEAKER: Followed by the hon. Member for Drumheller.

MR. NOTLEY: The minister has quite properly indicated that one of the instructions would be an assurance of confidentiality. Bearing in mind the obligation we all have 'to treat citizens of Alberta fairly, in engaging any agents to represent the Department of Housing and Public Works in the acquisition of land, would the minister consider that a further instruction should include that there be no misrepresentation, as a consequence of this rather unfortunate incident we've alluded to in the question period?

MR. CHAMBERS: Mr. Speaker, obviously I'm saying that right now. I would not expect or condone any misrepresentation, but I have no evidence of misrepresentation.

MR. NOTLEY: A supplementary question.

MR. SPEAKER: Perhaps we could come back to this. [interjection] Order please. Perhaps we could come back to this topic. I am concerned about the passage of time. A number of members haven't had an opportunity to ask their first question.

The hon. Member for Drumheller, followed by the hon. Member for Clover Bar.

MR. CLARK: Mr. Speaker, my question was to the Minister of Municipal Affairs and, as he isn't in his place today, I will hold it until later.

Blackfoot Grazing Reserve

DR. BUCK: My question is to the Associate Minister of Public Lands and Wildlife. Several days ago, I asked the hon. minister a question about the Cooking Lake forest reserve. Is the minister in a position to indicate the status of that project at this time?

MR. MILLER: Mr. Speaker, is the hon. member referring to the Blackfoot grazing reserve and the planning that is taking effect? If that is the substance of his question, we are in the detailed planning process. Departmental people are meeting with the various user groups — and they are expressing their concerns — and incorporating it into the final plan.

DR. BUCK: Mr. Speaker, a supplementary question. At this time, possibly the minister can answer the question I gave notice of last week: how extensively did the department disseminate information to the people in the affected area?

MR. MILLER: The basic dissemination of information was through meetings of the department people with the various user groups, where they expressed their concerns.

DR. BUCK: Mr. Speaker, has the minister considered moving the staging area from the Islet Lake gate that is presently the site? Has there been any representation? Is the minister considering changing that staging area?

MR. MILLER: Yes, Mr. Speaker. With regard to that one access point, if that is incorporated into the plan, it will be so designed as to have minimal effect on the surrounding acreage-owners.

DR. BUCK: A final supplementary question, Mr. Speaker. Can the minister indicate what consideration he has given to the representation by the snowmobile group for the use of designated areas in that reserve?

MR. MILLER: Mr. Speaker, I have had occasion to meet with the snowmobiler's group, in conjunction with the MLA from Sherwood Park. They expressed their concerns that no trails were established; rather, the plan just incorporated open areas. This is part of the plan we're taking into consideration.

Senate Reform

MR. D. ANDERSON: Mr. Speaker, my question is to the hon. Minister of Federal and Intergovernmental Affairs or to the hon. Premier. Now that we have successfully concluded the constitutional agreement, which guarantees the rights of Albertans, is it still the position of the Alberta government, as articulated in *Harmony in Diversity*, that we require further changes to federal institutions to give Albertans more say in governing the country as a whole?

MR. LOUGHEED: Mr. Speaker, I can't recall the precise time we discussed that matter. Perhaps it was in the Legislature in the fall. I thought that at that time we did say, on behalf of the government, that subsequent to the debate on the document *Harmony in Diversity*, we were prepared, as we had stated in the constitutional discussions, to consider other approaches in this area, in particular an approach that would contemplate something in terms of a revised Senate or something along the idea of a House of the provinces. We will be doing further work on that matter during the course of 1982, in preparation for the next first ministers' meeting on the constitution.

MR. D. ANDERSON: Mr. Speaker, a supplementary question to the hon. Premier. Is it possible that the government will consider tabling in this House a document — possibly a *Harmony in Diversity Two* — which outlines that possible Senate revision, also the government's approach to federal institutions such as the Wheat Board and the Canadian Radio-television and Telecommunications Commission?

MR. LOUGHEED: Mr. Speaker, we'll give consideration to that, although I think it is clear that with regard to

Harmony in Diversity, we did deal with the question of other national institutions other than the question of the Senate in that precise way. We will give consideration to the hon. member's suggestion.

DR. PAPROSKI: Mr. Speaker, a supplementary. Would the Premier indicate to the House whether he has canvassed other provinces, with regard to changes in the Senate? Is there a general direction or feeling as to which way they would like to go in that regard?

MR. LOUGHEED: Mr. Speaker, yes we have, very informally. That has occurred as a result of the statements made by the Prime Minister, sadly — I believe in early February — to the effect that as long as he's Prime Minister, co-operative federalism is now dead. As a result of that very disturbing statement, we have been having discussions. A number of first ministers are anxious to consider that there may be other approaches that are necessary under current circumstances. To that effect, there have been consultations.

After-school Care Funding

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Social Services and Community Health, with respect to the question of after-school care funding in Edmonton and Calgary. On March 30, I raised this issue, and the minister indicated that:

... to clarify for the hon. member, the province is able to cost-share approved costs the province puts into such programs.

To the hon. minister: in light of the section of the Canada Assistance Plan which states that both municipal and provincial costs together are considered cost-shareable — I'm referring to Section 5(1) — is the minister in a position to advise the Assembly whether the request for cost sharing was on the basis of the provincial portion, the provincial and the municipal portion together, or the municipal portion?

MR. BOGLE: Mr. Speaker, on the question of after-school care and day care, the portion of the program cost-shared to date has been the provincial portion.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. So there is no misunderstanding, despite the provision of Section 5(1) of the Canada Assistance Plan, the government has not made application for the total? The federal legislation is very clear that both provincial and municipal portions of this cost are cost-shareable. Again to the minister: was the request simply on the provincial share or on the total, as we are entitled to claim under the Canada Assistance Plan?

MR. BOGLE: Mr. Speaker, we've had conflicting advice as to whether or not we are able to cost-share for a portion of a program which we as a province do not fund. I've asked for legal clarification on that matter. Once I have that information, I'll be pleased to share it with hon. members in the Assembly.

MR. NOTLEY: Mr. Speaker, a supplementary question. I just refer the hon. minister to the Act. With respect to cost sharing on commercial after-school centres, where recipients of the services meet an incomes/need test, has the government considered making formal application for

funds under this program? From our information, it would appear that it would be cost-shareable too and have some impact on the systems for after-school care in both Edmonton and Calgary.

MR. BOGLE: Mr. Speaker, the hon. member is touching on a portion of the total area that province and federal government officials have been working on for the last several years. In this province, we have made a conscious decision to fund both private and public day care centres, whether or not they receive cost sharing from the federal government. It's my understanding that we're the only province to take that position. We believe that the important thing is the standards in place in all day care centres, whether they be public or private. Although we are attempting to cost-share not only after-school care but day care in private centres, to date we have been unable to do so.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Again, specifically with respect to after-school care, it's my understanding that the government has recently received funds from Ottawa, backdated to 1979, I believe. The minister indicated that there was some debate — and he was checking with legal officials — as to what is cost-shareable with the federal government, including the municipal share. However, can the minister tell the Assembly whether the funds the province has received to date are strictly related to the provincial share, or whether they include both the provincial and municipal shares?

MR. BOGLE: Mr. Speaker, that's the same as the first question asked. Very clearly, the answer was that to date we have been able to cost-share provincial programming only in publicly operated after-school care areas. We have received conflicting information as to whether the section of the Canada Assistance Plan, which the hon. member has quoted, is applicable in this case. Because there has been a difference of opinion among officials, the matter has been referred for a legal interpretation. Once we have that, I'll be pleased to share it with the hon. member. If in fact we are able to cost-share, we will invite those municipalities which operate after-school care programs to submit their claims, and they will be forwarded to Ottawa on behalf of the municipalities.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister indicated that the portion with respect to commercial after-school centres is subject to some discussion. However, the question I put to the minister is specifically with respect to the non-profit after-school care centres, and whether the province's receipt of funds under the Canada Assistance Plan is for the municipal as well as the provincial share of the non-profit centres?

MR. BOGLE: Mr. Speaker, that's the third time the question's been asked. For the third time, the answer is: we've cost-shared the provincial portion of the funding.

Prince Rupert Terminal

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Economic Development. The provincial government agreed to lend up to \$200 million to the consortium to upgrade the Prince Rupert terminal. Could the minister indicate what progress has been made

in this area, or if there have been any calls on the loan to date?

MR. PLANCHE: Mr. Speaker, I'm happy to comment on that. If my memory serves me correctly, I think there has been a \$14 million draw for the commencement of activities. The estimates are in now, and they are considerably higher than we had anticipated. It's well to remember that in addition to the \$200 million offered, we also have a cost-sharing proposal with the consortium, should the figures exceed the original expectations. The status of the project now is that we are in negotiation with the most attractive proposal to see if some of the costs can't be brought down to a handleable sum. I'll be happy to report when that develops.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister been in touch with federal officials, with regard to money they are putting in to upgrade rail transportation into the Prince Rupert terminal?

MR. PLANCHE: No I haven't, Mr. Speaker. I was at the terminal site not very long ago, and the approach for road and rail is well under way. I don't think there's any need for us to push that activity, as it seems to be on time and on schedule.

It's well to remember that really three concurrent facilities are going on there: grain, coal, and now we're beginning a liquid petrochemical port. It looks to us as though the rail and road approaches to the island are on stream. We still have the ongoing difficulty of the Red Pass Junction to Rupert mainline capacity in the CN. That's not solved. Unless the member has something specific, I see no need to contact the federal government.

MR. MANDEVILLE: A supplementary question, Mr. Speaker, with regard to the high tenders. Could the minister indicate whether the consortium is going to re-tender the work on upgrading the terminal? Could he indicate whether they will revise the construction, or will it be the same type? What starting date is the consortium looking at?

MR. PLANCHE: Mr. Speaker, the problem with the way the tender came in is that we don't want to cause a shortfall in any of the essential elements in the elevator. At the same time, we want to negotiate with the most attractive tenderer, to see if those non-essential elements can be reduced or deferred. That kind of negotiation is ongoing now. The "go, no go" decision has been extended. My memory doesn't serve me well in terms of when it is, but it is within weeks. The consortium is working diligently to see if it can't get the gross numbers down to something in the range of what we had in mind when the negotiations started.

MR. BORSTAD: A supplementary, Mr. Speaker. Has any consideration been given to adding some facilities for forest products, say chip-shipping out of that port?

MR. PLANCHE: I'm not familiar with the general cargo capacity of the old Prince Rupert town. The development on Ridley is designed for the three specific elements I outlined. If some upgrading is going on at the old port, I'm not aware of it. Traditionally, I don't think it's been an access port for forest products, and our information is

that the problem in the forest industry is not one of access to markets; it's one of markets.

Technical Institute — Stony Plain

DR. PAPROSKI: Mr. Speaker, a question to the Minister of Advanced Education and Manpower. Would the minister indicate to the House when the new technical school in Stony Plain will be opened, since there is such a great need for skilled workers in Alberta, in spite of the fact that we already have such a vast number of spaces for them?

MR. HORSMAN: Mr. Speaker, the date for the official opening has not yet been determined. It is hoped that we might proceed with a quick-build portion of the facility, so it would be possible to have some students enrolled in the trades aspect of the institution by later this year.

As hon. members will be aware, I should say that the budget contains about \$16 million for construction purposes in this fiscal year. Projected to completion of the institution is much more than that. I don't have the exact figure available at the moment. However, it is a very major undertaking, and is designed to eventually reach the equivalent of 1,300 full-time students. When one considers that apprentices take eight-week courses in normal terms, that figure must be multiplied by four for the apprenticeship portion of the institutional enrolment.

DR. PAPROSKI: A supplementary, Mr. Speaker. Would the minister indicate to the House whether there have been any major policy changes regarding the operation of that technical school, as compared to other technical schools?

MR. HORSMAN: Mr. Speaker, as hon. members are all aware, April 1 marked the date that all technical institutions moved to board-governed status under the new Technical Institutes Act. That, of course, is a major policy change of the government, affecting all technical institutions. I am pleased to say that the new board of governors at Stony Plain is very active. To a very major extent, the policy directions which will be undertaken by that institution will arise as a result of the activities and actions of the new board of governors which, when students are enrolled, will include students, faculty and support staff, as well as the public members appointed.

DR. PAPROSKI: A final supplementary, Mr. Speaker. Would the minister indicate whether this particular technical school will provide significantly different courses compared to, say, NAIT or other technical schools?

MR. HORSMAN: Mr. Speaker, initially it is a matter of starting with the very great demand trades which have been experienced in the province, and providing that type of training. Additional technical training in the various technologies will be introduced later. That development will take place by an agreement between the boards of governors at the Northern Alberta Institute of Technology and the new institute as to the transfer of some programming from one institute to another or the introduction of new courses perhaps similar to those already in place at the Northern Alberta Institute of Technology. Those decisions will be arrived at by consultation between the boards of governors at the institutions and, of course, with my departmental officials, with respect to new program development.

ORDERS OF THE DAY**head: GOVERNMENT BILLS AND ORDERS
(Second Reading)****Bill 22****Securities Amendment Act, 1982**

MR. KOZIAK: Mr. Speaker, I move second reading of Bill No. 22, the Securities Amendment Act, 1982.

As I mentioned during introduction of this legislation, we have before us a number of technical improvements to the substantial piece of legislation this Assembly passed at the spring session last year. In the intervening period, we have had advice from the securities industry and the securities bar, which provided us with recommendations to make certain changes to improve the wording of the Securities Act.

We have also expanded one aspect of the legislation, which I can probably best describe as the Chinese-wall defence. If hon. members will visualize the Great Wall of China and the purpose of that wall being to keep invaders from crossing into the Chinese country, we have the same concept in the securities legislation, whereby if certain knowledge is prevented from being transmitted throughout the company by a mechanism, then we will recognize that that knowledge is not in fact attributable to everybody within the company. That might seem a little confusing at the outset, Mr. Speaker, but perhaps I can deal with it in this way. Under the securities law of this province, if a special-relationship person acquires knowledge that is not generally available and then acts upon that knowledge to purchase or sell securities, then that special-relationship person can be in the position of being civilly liable to the person on the other side of the transaction for any profits made as a result of that transaction.

There is a defence in the legislation. That defence is that if you as a purchaser or vendor were a special-relationship person and did not in fact know of that special information, then you wouldn't be liable. But when you take a large company that might have offices across the nation, and one director of that company might have special information, it would be unreasonable to attribute that information to every director and every employee of that company right across the nation. So as long as certain steps are taken — whether it be by a brokerage firm or any other firm — to ensure the information is localized and not transmitted to all the directors and employees, then a further defence, known as the Chinese-wall defence, is available to any civil action under these provisions of the Act.

Mr. Speaker, I hope that will be of assistance in explaining the more significant amendment to the Securities Act. I urge all members of the Assembly to support second reading of the Securities Amendment Act, 1982.

MR. SINDLINGER: Mr. Speaker, may I make some comments about this, please. Perhaps when the minister closes debate on second reading, he might indicate why the magnitude of amendments seems so large — 16 pages of amendments — when the Bill was just introduced last year. It seems to me there should have been prior consultation with the industry, or whomever concerned, so that legislation passed last year had some element of endurance and we wouldn't have to come back and amend it so soon and to such a degree as we are this afternoon.

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

HON. MEMBERS: Agreed.

MR. KOZIAK: Mr. Speaker, I guess it doesn't really matter how long you provide in terms of time for consultation, problems like this do arise. The problems aren't significant. They're technical and improvements in wording. But the new securities legislation was first introduced in this Assembly three years before last spring, with exactly that purpose in mind. Although we did have input over the three-year period before I introduced, and this Assembly favored with passage, the securities legislation last spring, when you're dealing with a substantial piece of legislation in terms of pages, sections, and the concepts the legislation deals with, and when you're dealing with a very technical area, the opportunity for improvements always exists. I'm putting before the Assembly the opportunity to make improvements to the legislation passed last spring. I hope that members of the Assembly will always agree that, whether it be in regulations or laws, we should always strive to improve our legislation and regulations so they are better understood and perform the job they were intended to perform.

[Motion carried; Bill 22 read a second time]

Bill 23**Water Resources Amendment Act, 1982**

MR. HYLAND: Mr. Speaker, as I move second reading of Bill No. 23, the Water Resources Amendment Act, I'd like to make a few short comments. The changes in Section 5 will put a time limit on when convictions can be commenced under the Act. It was found that very often, actions couldn't be commenced because the time limit was too short. So we're settling on a three-year time limit now, because of problems such as hitting a dry year and things like that. It may be a short while before everybody realizes that somebody else has done something wrong.

Section 90 received some changes so that summer villages could partake in any cost-sharing agreements related to this Act. It will also allow the Minister of Municipal Affairs to come to an agreement with the Metis Association, so that he can sign an agreement with the minister on their behalf and also partake in any cost-sharing grants related to the Water Resources Act.

Section 90(4) will allow the project cost to be included. Part of the problems occurred especially when smaller municipalities had to do a lot of background work to get the project to the possible approval stage. Up to a little over a year ago, these costs couldn't be included in the total project cost. Now they'll be included as project costs. It'll bring it into line with the updated position paper No. 5. Section 90(1), which is the last change in the Act, will allow projects that have an ongoing operation cost to be charged to the properties receiving the benefit of them. I reinforce that operating costs are involved in that.

With that, Mr. Speaker, I move second reading of Bill No. 23, the Water Resources Amendment Act, 1982.

[Motion carried; Bill 23 read a second time]

**Bill 24
Farm Implement Act**

MR. MAGEE: Mr. Speaker, I move second reading of Bill No. 24, the Farm Implement Act, with a small amendment.

This Act deals with the sale of farm machinery in the province of Alberta. It outlines the responsibilities of the farmer/purchaser, the dealer, the distributor, and the manufacturer in regard to sale and servicing of this machinery. Minimum warranties on new equipment are established, as well as the supply of repair parts. A framework for the resolution of complaints is also provided. These all assist the farmer in the purchase and maintenance of his farm machinery.

The Act also provides for the licensing and bonding of those selling farm machinery at the retail and wholesale levels. It gives them some basic guidelines in regard to dealer terminations. A licensing appeal procedure is provided to deal with licence cancellations and suspensions. Terminology is also being standardized to coincide with other jurisdictions.

To elaborate briefly on some of these points, Mr. Speaker, I would go on to say that there is a new definition of "distributor", referred to throughout the Act, which takes out the confusion created by the previous word "vendor". Distribution can be direct from companies to dealers or through a second party, commonly known as a distributor, to the dealer.

Horsepower is now defined in more explicit terms. The dealer is not held responsible, but rather the distributor or the manufacturer of the implement, whose specifications and advertising the dealer and farmer rely on. If a new implement does not work properly after being put to work, a dealer or distributor, on notification, must supply a substitute machine until the original is repaired and made to work properly.

An amendment has been circulated to change Section 7, which is a new section to give warranty on new repair parts off the shelf. This warranty is now for 90 days. Previously there was no warranty on purchase of parts. As previously reiterated in this Act, parts will be made available for 10 years. However, a farmer may waive this section by approval in writing, if used parts are all that is available in case of a strike or some other set of circumstances that would preclude supplying a new part.

There's a new section 26:

The Minister may cancel or suspend [distributor's] licence . . . if it is in the public interest to do so, or [if] the licensee contravenes this Act or the regulations.

There's also a new section dealing with the procedure by which a dealer or distributor may appeal if his licence has been suspended. Finally, contraventions of this Act or the regulations now carry a fine of \$2,000, rather than \$500 as previously.

I hope this explains any concerns members might have. I urge all members to support Bill No. 24, the Farm Implement Act, with this small amendment, in second reading.

[Motion carried; Bill 24 read a second time]

**Bill 25
Alberta Order of Excellence
Amendment Act, 1982**

MRS. LeMESSURIER: Mr. Speaker, I move second

reading of Bill No. 25, the Alberta Order of Excellence Amendment Act.

This amendment will change the number of terms a member may serve on the council from two years to three years. The present term is one year.

[Motion carried; Bill 25 read a second time]

head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

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

**Department of
Hospitals and Medical Care**

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

MR. RUSSELL: Mr. Chairman, there are some important things in the budget this year that I think ought to be highlighted. It's not all good news, although the net result is that good services are delivered. I think members share my concern that this department, the highest spending one in government, has estimates that increase by 30 per cent this year. That's a figure that has to cause us all some alarm as legislators. It puts the total spending of the department over the \$2 billion mark. I can remember the time during my term in this Legislature when the budget for the whole government was \$1 billion, and this year we see one department going through the \$2 billion mark.

I get that \$2 billion mark by adding the \$1.7 billion of total expenditures to the \$255 million shown as revenues falling into the health care insurance plan. Those have to be added if we're looking at total expenditures.

There are some very large increases involved in the delivery of our health care system this year. Members will notice that the bill for health care insurance has gone up 40 per cent — a 40 per cent jump in one year. By maintaining health care premiums at their present level and not including an increase in the budget, I'm not in a position to be able to guarantee that even that 40 per cent increase will be sufficient. The costs for the various kinds of hospital care have gone up considerably as well — well beyond the rate of inflation — from 14 per cent for active care, through 20 and 21 per cent for auxiliary care and nursing home care. The last major part of the budget for this department, the capital portion, is up 143 per cent over last year, which shows our continuing commitment to ongoing upgrading and construction of new facilities.

I want to go back for a minute and emphasize again my concern about what is happening to the health care insurance portion of this vote. Expenditures are expected to go up by 25.7 per cent, but revenues are only increasing 10 per cent, so we're looking at a difference of \$480 million and \$255 million. As that gap widens, and as the federal government continues to make adjustments and policy changes with respect to its attitude toward a national health care program, I think we can continue to be concerned about those figures.

There are some highlights contained in the estimates I'm putting before the members, Mr. Chairman. There are considerably more funds, up to \$9 million, allowed for the broadening of physiotherapy services as an insured service provided by the private sector. There is in

excess of \$29 million in this one year for the purchase of major equipment, and that's on an ongoing basis and is aside from any capital project budget for any specific new hospital. It's just part of our ongoing replacement and enhancement of equipment in existing plants.

Medical education financial support is up 18 per cent to \$24 million. That's exclusive of the schools of medicine, the faculties of medicine, or the schools of nursing. It is strictly for interns and residences, and I think it's a very presentable figure on a national basis. The air ambulance program, which is bringing very welcome assistance to many of our Alberta citizens, particularly those in the remote parts of the province, is being increased by 41 per cent — looking at the increase in expected numbers of trips and inflation there — to \$1.5 million. There is \$9.5 million included in these votes for purchase of blood and tissue from the Canadian Red Cross, which they produce through their voluntary blood donor system.

Although I shouldn't pick out one hospital in particular, I want to mention the children's hospital in Calgary. Its budget is up 33 per cent this year, to \$24.5 million, as the impact of that fine new capital plant flows into operating funds. The 143 per cent increase I mentioned in capital funding is, of course, in addition to the major chunk of dollars also available in the Alberta Heritage Savings Trust Fund for capital plants. This year, I hope to see construction start on the sites of at least 13 of the prototypical hospitals we've been developing over the past several months for a number of our medium-sized communities in Alberta. I expect to see those start to go to tender about mid-June this year, and keep going throughout the summer months. I'm very pleased that what I think is a very innovative program will enter the construction stage. There's also a large amount of funding, in excess of \$20 million, set aside to allow for the start of construction, toward the end of the fiscal period, of the four new major urban hospitals of roughly 500 beds each.

Another thing I want to mention when I'm talking about capital facilities is our program of fire code upgrading. We've seen what's happening in other parts of the world with respect to fire hazards and damage in health care facilities. We don't want that to happen here, and have devised a multi-year program whereby we're committed to go through the facilities and upgrade them according to the latest code requirements. There's \$6.5 million in the budget this year to do that.

I'm also pleased that there's funding included — although not of great magnitude, but always very important I think — for two additional new moves this year, Mr. Chairman. Today I introduced the members of the Nursing Home Review Panel, and I'm expecting to receive from them a comprehensive report that is going to require a lot of work. This budget requests \$144,000 to establish within the department a special four-person team that will deal only with nursing home matters. That's in addition to the regular staff there now. There is also \$530,000 in special funding that will see us work with three pilot projects — the Foothills hospital in Calgary, the Drumheller General hospital, and the Medicine Hat General hospital — with respect to trying to find a new model of funding the operating costs of hospitals.

With that, I'll take my seat and be glad to listen to comments and questions. I did want to emphasize my concern about the rapid escalation of this very expensive department, and the rate at which the required dollars are accelerating each year.

MR. BORSTAD: Mr. Chairman, I appreciate the minister's strong support for medical services in this province. This is highlighted, especially this year, by the hospital budget of almost \$2 billion. Of the 82 projects across the province, I am pleased to have the Grande Prairie hospital, the Hythe hospital, and a nursing home under construction in my constituency at this stage. They are very much appreciated by citizens in the area.

Because of the economic slowdown in that particular part of the province, in many cases the tenders on the Grande Prairie hospital are coming in considerably under budget. I think the hospital board and the project director made a wise move, along with the government, when they broke some of the contracts into smaller projects so many of the smaller contractors could bid on them as portions. It has two advantages: it gives the smaller contractor the opportunity to bid, and it gives the companies the opportunity to come up with at least some work to keep themselves operating over this slump in the economy and to keep many local employees working.

The Grande Prairie hospital has been mentioned many times, because of troubles in the past on the building of that project. I must say that the project is moving along well today. I congratulate the board and the project manager for their efforts being put forth now. The building is moving along well. In fact I think it's a little ahead of schedule. We all look forward to the first rooms coming on stream sometime in '83-'84, I believe. No doubt the working conditions for all the staff will greatly improve over what they're trying to operate in today, because of the construction going on at the site. I hope working conditions for nurses will improve, so that when the regional hospital opens in '83-'84, they will have the finest medical centre in northern Alberta and a happy, satisfied staff who will deliver top-notch medical service to the patients in that area.

There is a problem of attracting doctors and nurses in the medical profession to northern Alberta, and I believe this is a problem in many of the other smaller centres across the province too. These professions would rather stay in some of the larger centres and make as much or more, than move to the smaller, more remote communities, where the cost of living is considerably higher. B.C. has a program that pays a medicare differential to doctors. The higher fee is paid in remote areas. I think circles are drawn around certain regional centres, and a somewhat higher portion of medicare is paid in those areas. Has any consideration been given to implementing a similar program in the province? Maybe the minister might respond to that question in his closing remarks.

Thank you, Mr. Chairman.

MR. MACK: Mr. Chairman, to the minister. Basically I'd like to zero in on the new facility, scheduled to serve the northeast quadrant of the city of Edmonton, which is on the border of Edmonton Belmont and the Clareview area. My concern is with the apparent foot-dragging, marking time, or long delay in the planning stages of the facility. The minister might be able to reflect on the status of that particular hospital, which basically is being planned parallel to the Mill Woods hospital. Is there a problem in the staging or planning of the two facilities and the two in Calgary, or does it in fact take this length of time to be able to plan and develop this active treatment centre?

I think it would be an ideal time at this point to have those facilities on stream — particularly during the downturn of our economy, whereby there would be an appre-

ciable saving to the taxpayers of Alberta on the bids coming in on those facilities — rather than in a period when the economy becomes buoyant and there is far more activity in the province. The top dollar would then have to be paid. I'd certainly appreciate it if the minister could reflect on that, to see if the process can be enhanced within the planning and, ultimately, the architectural design; having the two institutions in the city of Edmonton come on stream much quicker in terms of the actual planning, calling for bids, and having fixed bids from which to operate, as opposed to an undue delay, where it could in fact cost a lot more money.

I would certainly like to echo and extend my personal appreciation to the minister's department and to the government, with respect to the amount of money that has gone into the health care delivery system. I would also echo the sentiments of the hon. Member for Grande Prairie. In concert with the planning of physical activities for health care delivery, I think we should also ensure that the degree courses for the nursing profession be enhanced, and information go out to the profession in order that they might take advantage of special provisions which might be in effect in the postsecondary institutions. More importantly, I certainly urge that working conditions in the hospitals be well addressed and a thorough examination of these areas be made, so the rewards in the work place reach a high standard, rather than the current apparent demoralization in the area.

We recognize that many factors contribute to these things, but I think there are some very real areas of concern. In my meeting with the nurses, they identified some very real areas of concern. In the coming weeks and months, I trust we will address this particular area and have a thorough analysis to try to upgrade and bring the professional areas of work to a standard embraced by the vast majority of people within the profession.

Thank you, Mr. Chairman.

DR. PAPROSKI: Mr. Chairman, very briefly, I would first like to lay on the record my congratulations to the minister for his excellent work in this department and, in particular, the deputy minister, Dr. Lloyd Grisdale, whom I have known for a number of years as a his colleague, as well as in teaching at the University of Alberta. I say this most sincerely. Both have been very, very sensitive to a very critical area of need in this province, which as we all know is hospitals and medical care.

There should be no regrets, in my opinion, for the increase in funding in this area. Of course it may be alarming in dollars and cents. From a dollar point of view, it is alarming. But obviously the need is there, and inflation and so forth have captured that area as quickly as any other department. But to assure that health services and facilities in the province of Alberta for the individual and family are second to none anywhere, I can say here and now, Mr. Chairman, that I'm sure all members of the committee and the Legislature would support that direction. Of course, ongoing surveillance is necessary to assure optimal use of those dollars. I know the minister and the deputy minister in the department are doing that to the best of their capacity.

I would like to make a few comments and ask one question on a specific area I have interest in; that is, funding for family practice — the general practitioner, if you wish. I know the family practitioner is taught by family practice teaching clinics across the province, which the College of Family Physicians has encouraged over the

years. As a matter of fact, the first family clinic in Canada was started at the University of Calgary.

I would like the minister to elaborate on the funding in that area in particular. Although the family teaching clinics and the doctors teaching there — the primary care physician or the family physician — are provided in an acceptable level, as I understand it, I would like to hear whether more has been done in this particular department during this budget year. I would like the minister to indicate the degree of support. Will he assure this committee that he will continue his careful surveillance of that area for the teaching of family physicians — I'm not saying only family physicians, but that's my special area of concern — and assure the House that he will augment this area if the need is demonstrated by the College of Family Physicians or these teaching clinics?

Mr. Chairman, concluding on that point, the family physician, the general practitioner as we know him, is the primary care physician. By and large, he's the first-contact physician. He or she will see you during the acute phase and will provide not only primary care but comprehensive care involving the wide range of available resources for health care in our society, and co-ordinate that on a continuing basis for all age groups. I think it's very, very important that we encourage that area of medical practice. With segmentation and specialization, patients obviously have difficulty getting all the care they need from one doctor, or having it co-ordinated in a complex medical society. I think it's very, very important, and I'd like to hear the minister's comments on that area.

Thank you.

MR. WOLSTENHOLME: Mr. Chairman, I just want to let the minister know that the people I represent in Highwood, particularly those of the High River and oil fields area, certainly appreciate the sincerity and the sensitive feelings the minister has for his portfolio in the area of health care in the province. I just want to be on record in *Hansard* that the people down there really appreciate everything the minister has done. We thank him for it.

MR. HYLAND: Mr. Chairman, just some brief comments. I wonder if the minister could comment on the rural health conference — I'm not sure if that is the correct title — that was held last fall at the university. Were there any results or recommendations from that conference that would relate to the doctors going into rural areas — any extra conveniences or whatever for them. It would partly tie into the comments of the hon. Member for Edmonton Kingsway about family practice. The doctor in rural Alberta is the family practitioner.

I wonder if the minister could comment on that, and on the smaller hospitals in rural Alberta having extended care beds, a nursing home auxiliary type of combination tied in with the nursing home wings and, even as the Alberta homes association has suggested, a possibility of multilevel service in the senior citizens' units.

MRS. FYFE: Mr. Chairman, I think my comments are probably somewhat similar to those of the Member for Cypress.

I was particularly concerned about what appears to be a backlog of individuals requiring admittance into auxiliary hospitals. It would appear that some of these people are in nursing homes or active treatment hospitals. What studies are being carried out and what consideration is being carried out on additional auxiliary hospital beds if, in fact, what I'm saying is proven correct?

I would like to compliment the minister on his extensive hospital program. We probably have the best health system in the world for the population we have in this province. But as we continue to grow, as families move to Alberta and technology grows — there's little doubt that our hospital and health care system is not a static process, a static system. It is ongoing and very costly, as it's very labor intensive. New technology, particularly imported technology, is extremely costly. But if we maintain the level of care we have had over the past years into the years ahead, I'm sure we will retain this very high standard and high calibre of health care to serve all Albertans.

I would just ask the minister if he would comment on auxiliary beds, which is a particular concern of mine this afternoon. Thank you, Mr. Chairman.

MRS. CRIPPS: Mr. Chairman, I just have a couple of comments. First, I'd like to commend the minister and the department on the direction they have taken in attempting to provide hospital services throughout rural Alberta. I believe it's very important for Albertans to be able to have that level of care close to home. I'd like to note that the tenders for the Drayton Valley hospital were opened. I believe that's under Vote 6. I would like to emphasize the need for a quick decision on giving approval to that, because of the economic situation in my particular area at this time.

I'd like to mention two concerns, Mr. Chairman: first, the time it takes to process Alberta health care payments. I would like the minister and the department to attempt to improve the turnaround time on Alberta health care payments. It doesn't seem reasonable to me, if the information I have is correct.

The second concern I have is working conditions in the hospital, which was the basis of the recent nurses' dispute. Because that is settled, and we have an agreement for the next 18 months, I hope that problem will not be forgotten, and that we will work actively to solve the problem so that next time the contracts come up for negotiation, there will not be any cause for such a major disruption again.

Thank you.

MR. THOMPSON: Mr. Chairman, I'd like to congratulate not only the minister but the people in Cardston for the new addition to the hospital there. I feel that it's probably one of the best rural hospitals in Alberta. It's got seven doctors attached to it. They have a very good medical staff. They also have a very good administration there.

One of the things that bothers me, and I'm very concerned about it: page 69 of the Budget Address shows that we're spending 24 per cent of the budget on health. I think Albertans should have adequate medical care; there's no doubt about that. We all expect to have that. I think we do. But sooner or later, I think we in government are going to have to draw some kind of line and decide what adequate medical care is. I can see that we're building a problem for ourselves down the road a way, that possibly we can't carry.

I'd like the minister to know I support his position on balance billing with the doctors. I also hope he would consider some type of user fee for those people who use our hospital facilities.

Thank you.

MR. CHAIRMAN: If there are no further comments, perhaps the minister would wish to respond.

MR. MANDEVILLE: Mr. Chairman, just a brief comment and a concern I have. That's the capital costs of hospitals in the province. I think we're all pleased that we are spending this kind of money on health care in the province. However, as far as capital construction is concerned, one of the areas where we've got to have some concern is that we have the manpower to staff these hospitals when we get them in place down the road.

Mr. Chairman, the other concern I have with capital construction is that I think there should be more emphasis on planning and designing our hospitals, so they're able to facilitate the people who have to work in them. I've got a prime example in Brooks. I've got to say, on behalf of the people of my constituency in the Brooks area, that they really appreciated getting the hospital. It was one of the last hospitals built before they put the moratorium on hospital construction in the province. However, the concern we have there — and it was brought up at the time — is the design of the hospital. It's a 65-bed hospital spread out over almost an acre of land. As the minister's aware, it's a facility that houses all health facilities under one roof. It's spread out so far, over such a large area, that whenever we need any addition to the hospital — it's a concern I would like to see the minister take when he's building these hospitals. Where there's a population of 20,000 or 25,000, when they build the hospital they could put the foundation in so they could go up when they need more active-treatment beds. Or when they need some more in the nursing home, they can put another floor on. The problem with the hospital in Brooks is that they never put the foundation so they can go up. When we need more active-treatment beds, we've got to go out to the side of the hospital. It puts your central services so far out of reach for the staff. It makes it very inconvenient as far as the hospital is concerned. And it is a very nice facility.

[Mr. Purdy in the Chair]

Mr. Chairman, I would like to say to the minister that I have a different impression of the Walter C. Mackenzie facility, because I spent a week in the hospital. I'd have to say that it's designed excellently. I went through all the hospital. I agree that here again there's probably an area that's not utilized as well as it should be as far as health care is concerned. But I'd have to say that I was certainly impressed. Many of the nurses there call it the Hilton Hotel. I'd have to say it is. It's certainly an excellent facility. I'm sure it'll serve the purpose.

If we're going to spend all this money on capital construction, we'd better make sure that we're not closing beds down in some of the areas and then putting in extra beds nearby or building new construction. We'd better see that we've got the staff to handle these facilities as we put them in; also take a good look at the planning and the designing of the hospital structures in the province.

MR. CLARK: I'd like to make a few remarks. I'm sorry I can't compliment the minister on my new hospital, because I haven't got it yet. But we're working on it. We have the board and the land, but we haven't got permission to build the hospital yet. We even have a district now, so we're gaining. We probably have the only hospital district in Alberta without a hospital, and the only town of 3,000 without any health facilities — and county, too, for that matter.

My question to the minister is that we've had problems because most of the people from our area have to end up

in the Calgary hospital system. If you have an emergency and you don't have a doctor who has an allotment of beds in those hospitals, it seems to be very difficult for our people to get into the hospital unless they're referred by another doctor. As there's no other place for us to go, it's pretty difficult to be referred. We've had quite a bit of difficulty in that area. I wonder if there's some way that could be done away with, until such a time that we could have a hospital built in Strathmore.

Another thing I've had problem with out there — and I just had another phone call on it today — is where a person is suspected of having cancer and has gone to the cancer clinic to find out that their expensive machinery, the scanner that can tell whether they have cancer or not, has a three-month waiting period. This gentleman is now forced to wait until the end of June before he can find out whether or not he has cancer. He was a wee bit concerned about that during the phone call I had. I wonder if this equipment is that expensive that we only have the one, or do we have two? Is there something the matter with one of them in Edmonton that there has to be that long a waiting period?

That's about all I want to say. I hope we hear soon about the hospital facilities in our area. Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Would the minister like to respond?

MR. RUSSELL: Yes, Mr. Chairman, I'll very quickly go over the questions that were raised. The question raised by the hon. Member for Grande Prairie is one that has bothered all provincial governments; that is, how first of all to define what is a remote area and, secondly, how to encourage doctors to practice there. Surprisingly, Alberta's history and situation are pretty good. I keep in close contact with the College of Physicians and Surgeons on this matter. As members are probably aware, the requirements for licensing in Alberta are more stringent than in any other province. Notwithstanding that, we're still showing a healthy net increase each year in our number of doctors. Many of them, particularly the ones who have immigrated to Canada and are looking for a start in medical practice, do find it attractive to go to our smaller communities. Notwithstanding that, there are still five or six areas in the province where it is very difficult to get a doctor and his family to stay, because of the nature of our population and geography. We will continue to work on that.

The obvious, easy solutions offered may or may not work. Those are some kind of financial incentive that would relate either to an establishment grant or help with equipping an office, or a surcharge on medical fees paid through Alberta Health Care. As a matter of fact, those concerns have been brought to us by the member in his role as chairman of the Northern Alberta Development Council, and through a variety of other ways. Five or six regions in the province continue to have that problem. They're not all in the northern part of the province. In fact, one is in the deep south. It's just a pocket that seems to have difficulty keeping a permanent doctor.

The Member for Edmonton Belmont raised a very interesting question related to the speed at which the four major urban hospitals are proceeding. They're not going as quickly as I would have liked to see them go, but they're still going at a good rate. I think they're probably three or four months behind the very optimistic schedule we first outlined. But as of today, I'm still advised that

there'll be a 45-month combined design and construction period, which is very good for that kind of program. We are proposing to go on the fast-track or construction management technique, and are proposing that all four hospitals will be very, very similar, if not identical. There are obvious savings in doing that, and there are obvious difficulties in getting four very diverse and autonomous boards to agree on such an approach. So far, it's working. If it doesn't work, we may have to take other action to see that those hospitals are provided, and we're prepared to do that.

The Member for Edmonton Belmont also referred to working conditions in the hospitals, as did several members. Of course, we're very hopeful that that question will be addressed satisfactorily — not only for nurses, but for other working groups in the hospitals — by the arbitration tribunal established as a result of Bill 11, passed in this Legislature. That ties in with adequate manpower supply, and I'll address that issue in a moment.

I believe the Member for Edmonton Kingsway made a very good point with respect to the importance of supporting family practice funding very well. I think he knows how that is established. Various hospitals throughout the province are given permission to go ahead with family practice clinics. Additional funds are provided for that purpose. If they're successful, and generally they are, those funds are rolled into the global budget of the hospital, and the thing continues. It's important that they be established in conjunction with teaching hospitals, and so you tend therefore to want to see them established in a city that has a university facility and a school of medicine.

My understanding of another aspect of the whole field of family practice is that I believe a real effort is being made to get doctors out into rural areas during their internship, even for short periods of time, to get the very valuable overall general practice experience they're not able to get to the same extent in the larger cities where the practice of medicine tends to be more specialized. I can assure the hon. member that that has, and will continue to have, a high priority with us insofar as funding is concerned.

I think part of the comments I've just made respond to the points raised by the hon. Member for Cypress. We do have a report from that rural health conference. The recommendations and observations in that are being considered, along with similar kinds of observations made by the Northern Alberta Development Council. During the coming months, I hope to have some kind of answer with respect to what might be done to upgrade rural health care services, and I say services as opposed to facilities because I think we are making good progress on the latter.

The specific aspect of extended care beds in all the smaller rural hospitals is a very difficult and interesting problem to deal with. About a year ago, I attended a workshop here for trustees of all the hospital boards throughout the province. Their topic was regionalization. I was asked if I would give an address during part of the proceedings, and I did. I can remember opening that address with the question: why are you wasting your time talking about regionalization, because none of you wants it? All our efforts at regionalizing in any way have met with great resistance in the local community. Why that's happening is certainly obvious. For example, when we have two communities 10 miles apart, and each wants to build a complete hospital with half the number of facilities, to try to persuade two communities with two sepa-

rate hospital boards that they would be serving their people better in the long run by combining facilities and getting larger kinds of projects under way, is a very difficult attitude to take. I must say that at the present time we're trying to approach that in what I think is a compromising way; that is, responding to the expressed desires of the community the best way we can insofar as it's practical.

If I can start using some examples of places in the province: Olds and Didsbury of course both have new hospitals under way; Three Hills and Trochu have projects under way. I'm picking communities that are very close to each other, minutes apart by automobile. In all those cases, all classes of beds will be provided for each hospital, notwithstanding the academic or textbook approach you can expect the professional planners to take, that if we could put 25 beds in one hospital, we could get a physiotherapist, and this and that, and we'd have a much better facility.

The counter-argument to that is that we would rather have 10 beds here and 15 beds here, move the physiotherapist back and forth a half day at a time, and leave those elderly, sick people in their community near their families. We're tending to approach the latter, but I think all hon. members realize there is a limit at which it becomes impractical, if not impossible, to tack five extended care beds onto a very small hospital and expect to provide persons in those beds with a full range of services. It's very difficult.

I'd like to go on now to the comments raised by the hon. Member for St. Albert when she addressed the issue of the back-up of auxiliary patients. She's quite right, especially in the Edmonton area. That is occurring and is a fact of life. More evidence was brought to light during the work of the Nursing Home Review Panel, introduced here today. I think we're going to have to come forward with proposals for more auxiliary beds, certainly in the two metropolitan areas. We're finding that there's a traffic jam at each end of the system. Many patients in expensive beds in the active hospitals could be transferred downward in the scale to auxiliary hospitals, thereby freeing those very valuable active care beds. There's a multiplier factor there, because one auxiliary patient freeing a bed can allow active patients to go through at an average of seven-day intervals. A great geometric advantage is to be gained there, if we could do it.

What we're finding, too, is a backlog at the other end of the system, starting with the senior citizens' lodges. A number of senior Albertans living in senior citizens' lodges, which is a housing program, require medical care beyond the level that is supposed to be provided in those lodges. Those people are waiting to get into nursing homes. Then you find the nursing homes also backed up, to a degree, by people who really shouldn't be in nursing homes any longer; they should be in auxiliary hospitals.

I'm outlining this problem because it's beginning to look as if a very attractive solution, in combination with home care and day hospitals, would be to build more auxiliary hospitals. But we're trying to address the question: how many auxiliary hospital beds should we build? To what extent does Alberta want to institutionalize its sick and aged? We have a very high percentage of auxiliary beds for Albertans now. Two more very fine facilities, the Parker pavilion at Lynnwood and last week the Youville pavilion attached to the General, opened within the last year, putting several hundred more beds into the Edmonton market supply. Yet it seems that as fast as they can be built, two people are waiting to get into each

bed. It's a very serious and frustrating problem. But if we can find a rational approach, I think we'll see benefits spread throughout the other levels of the health care system.

I was intrigued when the Member for Drayton Valley made reference to the length of time it takes to process Alberta Health Care Insurance payments to doctors. I can only say what I've said to many persons at public meetings: if you have a doctor in your constituency with such a complaint, please let me have his name and his bills, and we'll check it. Quite frankly, in 90 per cent of the complaints we get, what the doctors are saying just isn't factual. Our staff has done a great deal of work on this. Our turnaround time is excellent, far better than other provinces. In the majority of cases, billing delays occur as a result of mistakes in the doctor's office or for some other reason. There are extenuating times of the year. For example, there was a delay when Workers' Compensation Board payments were transferred to Alberta Health Care over the Christmas period at the end of last year, and the computers had to be reprogrammed. Obviously there was a delay during the mail strike. But generally speaking, our record is very good. And when we do track down an individual complaint from a doctor's accountant or office, we find the fault does not lie with Alberta Health Care.

I think the Member for Cardston brought up a very good point when he said that 24 per cent of our total provincial budget is now going to health care. Justice Emmett Hall pointed out in his review of medicare in Canada that Alberta spends more per capita on health care than any province. Of course the question is: what is adequate, or what is enough? Because of the very nature of the services, it can be the kind of department that has virtually no lid on the budget. But I don't think anybody in this room would support that sort of attitude. To what extent we will be able to increase and accelerate, and leave health care as a universal service available on demand at no direct fee to the user, is something I believe all Canadians are going to have to address before too long, if we want to maintain high standards.

The Member for Bow Valley makes an excellent point when he talks about future manpower requirements. Of course, that ties in with comments by some members about operating costs built into a facility. If I can put it very simplistically, the capital costs are the easy ones to meet. It's going to be much easier for our government and future governments to meet capital requirements than to meet ongoing operating requirements. A rule of thumb used in the field is that whatever the cost of a facility, every two and a half years it's equalled in operating costs. So it's nice to put up a \$100 million hospital in Grande Prairie. But when the paint's dry on that facility, we're building in \$100 million of operating costs every two and a half years. That's multiplied throughout the system. So I think you can see the concern, and that's just one aspect of the financial management of the department.

I can give some pretty good assurance that we believe the manpower requirements can be met. We have an excellent interdisciplinary committee, which represents Advanced Education and Manpower, Social Services and Community Health, and Hospitals and Medical Care, that meets on an ongoing basis and very carefully plots out existing and projected manpower requirements. Two years ago, the four western premiers had a health manpower study commissioned for themselves. I believe they will be receiving that report and addressing it at their

western premiers' conference later this spring. Also, a variety of studies are done on a national basis. Of course, the concern about the future supply of nurses has received the most attention in Alberta recently. At other times, we've responded about the variety of very significant steps being taken to respond to that problem. I believe that if Alberta is kept as an attractive place to raise your family and make a living, and if our taxation levels and economy are kept attractive, we will get the needed health manpower people. That goes beyond nurses. I'm talking now about physiotherapists, occupational therapists, psychologists, psychiatrists, et cetera.

The specific question from the Member for Drumheller, with respect to the waiting period to get examined at a cancer clinic, is one I can't answer today, but I will take it under advisement and get back to the hon. member. I can answer part of his question. There are two major facilities: the Cross cancer hospital in Edmonton and the new southern Alberta cancer facility in Calgary attached to the Foothills hospital. I know that if it was deemed to be an elective and exploratory operation, particularly during the strike, people sometimes had to wait up to that period of time for exploratory surgery. But that was after the examination had been conducted, and the scanning and analysis had been done. So I'm puzzled by that question, but I will follow it up.

MR. SINDLINGER: Mr. Chairman, I'd like to ask a couple of specific questions and one general question, please. The first general question is with regard to the projections of both capital and operating expenditures. The minister has just made reference to the relationship between capital and operating costs once the paint is dry on the capital facility. Have any projections been done for discrete periods of, say, five or 10 years into the future?

The two specific questions I would ask the minister to address in more detail, if he would, are: firstly, with regard to the two hospitals in Lethbridge, perhaps the minister might give us an indication of the status of that controversy. Secondly, perhaps the minister might be able to give us more detail on the committee of doctors reviewing the extent of extra billing in the province.

MR. NOTLEY: Mr. Chairman, I want to touch upon several areas in the course of these estimates. I apologize to members of the committee; I wasn't in for the first part of the discussion.

No doubt this matter has come up, but I'd just like to say generally that I would like to see some early action on the part of the government with respect to a province-wide ambulance scheme. Secondly, the issue of second billing has already been raised by the Member for Calgary Buffalo. The position I've advanced on that over the months has been fairly clear. I don't think second billing is consistent with medicare. I support the position taken by Mr. Justice Hall in the review he made of the subject at the request of the former federal government. When Mr. Clark was Prime Minister, he asked Mr. Justice Hall to undertake a review, and Mr. Justice Hall recommended against second billing.

Mr. Chairman, the question I would put to the minister, however, is of a more specific nature. It deals with the increase in costs of the smaller hospitals which are being proposed throughout the province. I know that in the case of the Berwyn hospital, we've had a very substantial escalation in the last two years. I should say, the Berwyn hospital that is going to be built in Grimshaw. But I

won't get into that argument, because we've already discussed that with the minister. What I'm interested in pursuing today is the increase in the cost of these kinds of facilities. There's been a substantial increase in the estimate for the Berwyn hospital. I'm more familiar with that than the other hospitals announced in April 1980, but I imagine there is a parallel increase of the same general magnitude in the other facilities.

The reason I ask the question, Mr. Chairman, is: as a consequence of these substantial increases, to what extent is the department reviewing the option of renovation instead of new construction? Again, I'm more familiar with the Berwyn situation than others, but the government decided to proceed to build a new hospital on the basis of a certain cost estimate. I remember the minister saying, I believe in '79 or '80, that if the cost of renovation reaches approximately 70 per cent — I could be wrong; correct me if I am — it makes more sense to build a new facility. I would think that's true, generally speaking.

But the question I put to the minister is: what ongoing evaluation is made of renovation costs as a comparison, bearing in mind the huge increases we've seen in the costs of the completed project — and this is a prototype hospital. Has there been any ongoing review by the department? Subsequent to the announcement in this House in 1980, have we examined any of these projects to determine whether it would make more sense to say, fine, it's nice to have a new hospital, but if the cost is going to go from \$4 million or \$5 million to \$10 million or \$11 million, or whatever the case may be, then perhaps renovation makes a good deal more sense. Do we have any estimates that renovation costs are going up on the same basis as the costs of building new hospitals? Has the department compiled any data at all on the question of the relative merits of new construction versus renovation of many of these facilities which were announced two years ago, that the minister could share with members of the committee?

MR. RUSSELL: The hon. Member for Calgary Buffalo asked about the relationship not only of capital with operating, but to any projections that had been done. I've seen two kinds of projections which have been done. Those are in addition to the rule of thumb, which has proved to be historically correct to date, which is the two and a half times factor. But five-year projections have been done, which I've discussed with my colleague the Provincial Treasurer, showing the rate of increase in the total provincial budget; that is, the operating portion of it growing at about the same rate it has been growing over the last few years. So you can see that within a few years, that \$2 billion very quickly grows to \$5 billion. Those projections have been done.

In the case of new facilities coming on stream, they're also required to submit with their final drawing application, a projected three- and five-year operating budget. Really, more attention is paid to the staffing ratios and the projected operating budget than to the architectural plan. I think the hon. member has seized on it. He's quite right that the ongoing operating costs are really a bigger worry than the capital costs at the time. But we have those two kinds of projections: projected operating budgets for new and existing hospitals, and an overall projected crystal ball look at the future for the entire department.

The situation at Lethbridge hasn't changed. This goes back to what I was talking about earlier: trying to get two boards — in this case, two blocks apart — to combine

co-operatively and do something that probably is better for their community in the total sense. Therein lies the debate. You get disagreement as soon as you say that. So the choice had to be made. The Municipal hospital was designated as the regional hospital, and the majority of new capital funding is going into that. The other hospital, St. Michael's General, turned down the upgrading funds we had offered them, so they're simply maintaining the status quo. I haven't heard from that board for many months now. I was down there to visit with them and, as a result of my visit and our last review, they turned down our last offer of something like \$14 million worth of renovations to the existing plant.

The extra billing committee continues to get a slow but steady trickle of complaints. I must say I believe people are a bit reluctant to use the committee. I think it's pretty well known now. Another advertising campaign was carried out early this year. But they're continuing to work and to deal with the complaints. I expect to get a report for the first quarter of this year from the committee within the next few weeks. I think I tabled the 1981 statistics that were available late last year.

The province-wide ambulance scheme: I suppose it would be very nice for me to be able to stand in my place this year and say we're doing it. But I look at what's there already without it and, quite frankly, the line had to be drawn somewhere. Right now, ambulance service is a municipal responsibility. Until we find the way to provide funding, it will have to continue to be a municipal responsibility.

I think it's no secret that we've been very anxious to maintain minimum standards across the province that would be applicable to all three kinds of ambulance service; that is, the non-profit voluntary, the commercial, and the municipally owned. I think you can see very readily the problems involved in maintaining minimum standards for those three different kinds of carriers. It was our intention to provide some kind of support by way of financing that would not only establish equipment, but would establish manpower training and ongoing operating procedures: what we call a basic life-support system. I'm not able to do that this year.

I've already pointed out my concern about the incredibly large jump in this department's budget this year. I'm going to have to come back for more money, because there's nothing in here for what will be the results of the nurses' settlement. There are other employee groups whose increases won't be covered in here if they follow the trend established by the nurses' group. We did not increase medicare premiums, so I don't know if the revenues we've projected will be enough to cover the costs of health care insurance in addition to the general fund revenues. So I'm not painting a very optimistic picture, and that was the picture in front of us at budget time.

I'm very anxious to put more money into our nursing home system. I think that if we take the recommendations I expect to get from the Nursing Home Review Panel, and establish some meaningful changes in the system, more money has to be found for the system. Somewhere the shopping list stops, and so there's no ambulance program this year. I'm simply saying to the municipalities that are complaining: it's your responsibility, and it always has been; it would be nice if we did contribute to it, but at the present time I can't do it.

I won't debate extra billing with the hon. Member for Spirit River-Fairview, because we just have a basic philosophical difference there. You believe it shouldn't happen, and I don't believe it's keeping anybody from getting

medical attention now, but I'd be very concerned if I did hear of that occurring. I think the hon. member knows that the provinces are meeting with Mme. Begin by mid-May to discuss this very item.

The last point brought up was: why the increase in capital costs estimates, and renovation versus new. The hon. member is quite correct: a judgment decision has to be made in each case. But generally the professional staff in the department uses the 70 per cent rule: if you can renovate and upgrade a building at something less than 70 per cent of new replacement costs, over the life of what you would get, it's economically a good decision to go ahead with renovations.

Whether it's renovations or new construction, the estimates accelerate at the same rate due to inflation. For the last three years, we've been using 1.25 per cent per month on a compounded basis for inflation in the construction industry. That's the factor the Department of Housing and Public Works uses, and historically is very, very close to being right on to that figure. When you're comparing today's price of a new 25-bed hospital with inflation built in up to January '82, you would then have to go back and add on the inflation I talked about for the renovations.

The Berwyn-Grimshaw hospital is a very difficult example to use the very simplistic comparison I just talked about. First of all, one of the arguments against renovating is that even if you did renovate, and it was less than 70 per cent, you still wouldn't have a very satisfactory building. It's basically a bad style of building to use for a hospital. I'm talking about the ground floor level that's so high in the air, the difficulty in staffing with the split floors, the basement, and the ground floor. Secondly, the hospital isn't in the community where most of the people are. We won't go through that population debate again, but there are a lot more people in Grimshaw than in Berwyn. Thirdly, of course, is the location of Grimshaw in the regional transportation system. All those things were considered very, very carefully when we said, should we pour more money after bad into the Berwyn hospital, or shall we build a new hospital in Grimshaw? Of course, everybody knows the answer to that. From the news articles I've seen, I believe some people are comparing preinflated renovating costs to inflated new costs, and trying to compare them. Then, of course, the comparison I mentioned doesn't work.

MR. SINDLINGER: Mr. Chairman, I wonder if the minister might indicate the next steps in regard to the St. Michael's hospital situation in Lethbridge. The minister has indicated that the board turned down \$14 million in funds for upgrading purposes, and that it is several months since they last met. I wonder if the minister could give us an assurance that by turning down these renovating funds, the ability of that hospital to provide medical and hospital services to the citizens of the city is not compromised in any way, and that the point in time when that hospital will no longer be able to provide adequate hospital and medical services isn't in the near future, that it's somewhere down the road.

I might also comment in regard to escalators providing for inflation through construction contracts. I noticed some snickers in the Assembly the other day when one of the members asked about the possibility of interest rates decreasing. I guess we're now conditioned to the fact that things are going to increase continuously. I don't see much chance of interest rates decreasing very rapidly in the near future, but it is possible there could be a rapid de-escalation in inflation. Most contracts being written

today provide for inflation on a regular basis. If those contracts are written with a provision for inflation but not for deflation, and in the near future there should actually be deflation, a situation could occur where we'll be locked into inflationary increases, whether they're warranted or not. In a situation like that, there would be excess profit.

MR. RUSSELL: It's a very interesting point, and one which is used to advantage in the fast-track or construction management technique being used for some of the larger hospitals. Instead of going out with one contract that a contractor is trying to guess will stretch over four years, say, in the vicinity of \$100 million — and many of these hospitals now cost that — all your bidders are going to allow for what they are guessing will be inflation, and protect themselves. That's one of the main attractions of going into construction management. You try to let current small contracts in ongoing tender packages and get the advantages of today's construction rates. By doing that, they don't have the long construction life that the larger tender award would have. I suppose there are disadvantages to doing it that way, too, and they're obvious.

I think the Minister of Housing and Public Works would agree that this year we're seeing more competitive tendering on capital projects than we have in the past 12-month period. I suppose that is a reflection of the economic climate the hon. member referred to. It was interesting that the Member for Drayton Valley attended the tender opening for her new hospital yesterday, and came to report to me. She said one of the contractors made the comment that his price today was exactly what it would have been two years ago. That reflects the very thinking you're referring to.

I hope I made it clear to St. Michael's hospital in Lethbridge that we will maintain the status quo; in other words, they'll get sufficient operating funding and have equipment replaced as it's worn out, but any major capital works are going to have to be decided in light of what is going on at the new regional hospital. I think they understand that. I hope so. But certainly there is a limit to how long that situation can carry on.

MR. SINDLINGER: Would the minister give some indication of what that limit might be, and a general idea of the situation? Are we talking about months, years, or decades?

MR. RUSSELL: I would guess we're talking about some period of years. It's certainly much longer than months. The owners of the hospital have maintained it very well. It's a very well maintained building, and I would assume that that level of maintenance would continue. So operations could probably continue for some time. The hard decisions I'm talking about are going to come in the future, when they ask for new programs that would conflict with what is being planned for the regional hospital, or new capital expansion or renovations we don't want to duplicate, because they're being provided for at the regional hospital. So there would have to be some turn-downs at that time. In the meantime, the worn-out equipment is being replaced. They're being given full operating funds to continue with their 207 beds, and operations are continuing.

Agreed to:

1.01 — Minister's Office

\$250,771

1.02 — Deputy Minister's Office	\$683,185
1.03 — Professional Services	\$394,097
1.04 — Hospital Services	\$3,607,092
1.05 — Health Care Insurance Plan Administration	\$16,833,273
1.06 — Finance and Administrative Services	\$7,734,697
1.07 — Policy Development	\$1,887,793
Total Vote 1 — Departmental Support Services	\$31,390,908

2.01 — Basic Health Services	\$225,443,000
2.02 — Blue Cross Non-Group Benefits	\$42,690,000
2.03 — Extended Health Benefits	\$23,687,000
2.04 — Out-of-Province Hospital Costs	\$14,240,000
Total Vote 2 — Health Care Insurance	\$306,060,000

3.1 — Program Support	\$122,934,653
3.2 — Major Medical Referral and Research Centres	\$168,867,725
3.3 — Major Urban Medical and Referral Centres	\$311,582,887
3.4 — Other Referral Centres	\$90,564,657
3.5 — Specialized Health Care	\$77,246,221
3.6 — Community-Based Hospital Care	\$171,367,187
Total Vote 3 — Financial Assistance for Active Care	\$942,563,330

4.1 — Program Support	\$3,383,824
4.2 — Long-Term Chronic Care	\$112,970,289
4.3 — Specialized Long-Term Chronic Care	\$1,357,195
Total Vote 4 — Financial Assistance for Long-Term Chronic Care	\$117,711,308

5.1 — Private Nursing Homes	\$38,973,606
5.2 — District Nursing Homes	\$27,413,892
5.3 — Voluntary Nursing Homes	\$15,544,301
Total Vote 5 — Financial Assistance for Supervised Personal Care	\$81,931,799

6.1 — Program Support	
— Capital Construction	\$18,981,427
6.2 — Major Medical Referral and Research Centres — Capital Construction	—
6.3 — Major Urban Medical and Referral Centres — Capital Construction	\$71,852,500
6.4 — Other Referral Centres — Capital Construction	\$53,391,700
6.5 — Specialized Health Care — Capital Construction	\$6,749,930
6.6 — Community-Based Hospital Care — Capital Construction	\$123,664,100
6.7 — Long-Term Chronic Care — Capital Construction	\$8,280,300
6.8 — Supervised Personal Care — Capital Construction	\$6,408,550
Total Vote 6 — Financial Assistance for Capital Construction	\$289,328,507

Department Total	\$1,768,985,852
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MR. RUSSELL: Mr. Chairman, I move that the votes be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that for the fiscal year ending March 31, 1983, sums not exceeding the following be granted to Her Majesty for the Department of Hospitals and Medical Care for the purposes indicated: \$31,390,908 for departmental support services, \$306,060,000 for health care insurance, \$942,563,330 for financial assistance for active care, \$117,711,308 for financial assistance for long-term chronic care, \$81,931,799 for financial assistance for supervised personal care, and \$289,328,507 for financial assistance for capital construction.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, because of the Easter break being a number of days, as of now I'm not able to indicate to hon. members what business will be called on Thursday the 15th. I think it most likely, however, that the House would sit that evening. If members are in touch with me on the preceding day and wish to know what might be called on Thursday, I will try to give that information at that time.

In accordance with the motion recently passed, I move that the Assembly now adjourn until April 15 at 2:30 in the afternoon.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

[At 5:18 p.m., the House adjourned to Thursday, April 15, at 2:30 p.m.]

