

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Tuesday, May 24, 1983 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. SPEAKER: I'm pleased to be able to draw the attention of hon. members to the presence in the Speaker's gallery of the Hon. Clive Healey and Mrs. Healey. Mr. Healey is a member of the Australian Labor Party. He's been a member of the Legislative Council of New South Wales since 1970 and was appointed chairman of committees in 1978. I ask the Hon. Mr. Healey and Mrs. Healey to stand and receive the recognition of my colleagues.

I'm also pleased to be able to draw the attention of the Legislative Assembly to the presence in the Speaker's gallery of Mr. Patrick Michael, the Clerk of the Territorial Assembly of Yukon. Mr. Michael served at one time in this House and has used that, I'm sure, as a springboard for his distinction in Yukon. Would Mr. Michael please stand and receive the welcome of the Assembly.

head: **TABLING RETURNS AND REPORTS**

MR. BOGLE: Mr. Speaker, I wish to file with the Legislative Assembly volumes 1 through 4 of the study on the western electric power grid.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. M. MOORE: Mr. Speaker, it is my pleasure this afternoon to introduce a number of school children from the Grande Prairie constituency. Their MLA, Dr. Bob Elliott, is attending the Northern Alberta Development Council meeting in Peace River and was unable to meet with them. He asked that I introduce them to the Assembly on his behalf. They are 19 grades 5 to 9 students from the Grande Prairie Christian school, accompanied by teachers Mr. Merle Bradley and Mrs. Doreen Rattliff and parent Mr. Grant Hopkins. They are seated in the members gallery, and I ask that they rise and be recognized by the Assembly.

MR. HIEBERT: Mr. Speaker, I'm pleased to introduce 15 grade 5 students from Fulton Place school in the Edmonton Gold Bar constituency. They are accompanied by their teacher Adele Wygera, teacher aide Renee Motut, and parents Loveth Bradley, Marie Bostrom, and Darlene Bartman. They are located in the members gallery, and I ask them to rise and be recognized by the Assembly.

MR. BATIUK: Mr. Speaker, with pleasure I introduce to you, and through you to members of the Assembly, 52

grades 4, 5 and 6 students from St. Mary's school in Vegreville. Accompanied by their principal Mr. Spak, their teachers Mrs. Mudryk and Mrs. Yackimec, parent supervisor Mrs. Curken, and their bus operator Mr. Zubritsky, they are seated in the members gallery. I ask that they rise and receive the welcome of the Assembly.

MR. SZWENDER: Mr. Speaker, I have the pleasure today to introduce to you and to members of the Assembly 60 grade 5 budding scholars from the Delwood school in the constituency of Edmonton Belmont. This eager group is under the supervision of their teachers Mr. Tymofichuk and Mrs. Luchak. The students are seated in the public gallery. Would they rise and receive a warm welcome from the Assembly.

MR. HIEBERT: Mr. Speaker, on behalf of my seatmate the hon. Member for Lac La Biche-McMurray, who is also attending the Northern Alberta Development Council meeting, I would like to introduce to you and to members of the Assembly four students from the [youth] assessment program in Lac La Biche. Located in the public gallery, they are accompanied by Mohammed Hammoud, Alan Moghrabi, and Tammy Rasmussen. I ask them to be recognized by standing and receiving the welcome of the House.

MRS. LeMESSURIER: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Assembly, 15 members of the Philippine musical dance concert, who are performing tonight and tomorrow night at the SUB Theatre at the University of Alberta. They are accompanied by five members of the Philippines Heritage Society, and they are seated in the public gallery. I ask that they rise and receive the welcome of this Assembly.

Mr. Speaker, today is International Women's Day for Disarmament. I believe approximately 15 members from the women's disarmament campaign are seated in the public gallery. I ask that they rise and receive the welcome of this Assembly.

head: **ORAL QUESTION PERIOD****Government Car Purchase**

MR. NOTLEY: Mr. Speaker, I'd like to direct the first question to the hon. Minister of Public Works, Supply and Services. It's with respect to the hon. minister's answer on page 1091 of last Friday's *Hansard*.

Mr. Speaker, the short answer is that they weren't.

I've had the opportunity to have my officials check the files and public accounts, and no such transactions were made with either Mr. McGrath or the consulting firm referred to.

Mr. Speaker, I'd like to file with the Legislature three copies of Mr. Justice P. Chrumka's decision of February 1, the most relevant aspect of which is — and I would read this out and ask the minister to respond — "The deal went through successfully", on page 4 of the judgment. Did the minister have an opportunity to review the judgment of Mr. Justice Chrumka before he made his statement in the House last Friday?

MR. CHAMBERS: Mr. Speaker, again I guess I would repeat what I said on Friday. I had my officials check the files and records of the department, the public accounts.

and Treasury checked records of purchases. There are no records whatsoever of any such transaction.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The question was not the response the minister gave last Friday but whether or not, before making that response, the minister or his officials had had an opportunity to review page 4 of Mr. Justice Chrumka's judgment.

MR. CHAMBERS: At the time last Friday, I hadn't, Mr. Speaker. However, I'm very confident in the research that was done by the officials with regard to the items I've just mentioned.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. In light of the answer of the hon. Minister of Public Works, Supply and Services, yet the clear statement in the Chrumka judgment that such a deal went through, is the Premier in a position to advise the House whether he can give assurance that no agency, Crown corporation, department, or any person acting on behalf of the Crown and in right of Alberta, either directly or as an agent, acquired these cars?

MR. LOUGHEED: Mr. Speaker, I wouldn't have any knowledge of that matter.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. Given the Chrumka judgment, what review has the Department of the Attorney General given to investigating the possibility of perjury charges?

MR. CRAWFORD: Mr. Speaker, at the present time there is no investigation in respect of possible perjury charges; perhaps that could ensue. What we are assessing at present is whether there is evidence of a possible charge for fraud in respect of the matter arising from the transaction the hon. leader asks about.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister indicated that the department is reviewing the question of possible fraud charges. I gather that would be with respect to section 320 of the Criminal Code. Can the minister advise the Assembly what efforts the Department of the Attorney General or perhaps the Solicitor General's Department has made in determining the whereabouts of one Mr. McGrath?

MR. CRAWFORD: Mr. Speaker, I wish I could tell the hon. leader where Mr. McGrath is.

MR. NOTLEY: Mr. Speaker, I'm sure a lot of people would like to find him.

Could the hon. Attorney General be a little more specific as to whether any instructions have been issued by responsible Alberta ministers, or any consultation with law enforcement agencies, underlining the importance of finding that particular gentleman?

MR. CRAWFORD: Mr. Speaker, there are indeed outstanding charges in respect of other matters involving Mr. McGrath, and the law enforcement agencies are making efforts to locate him.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. In light of what appears to be some

serious inconsistency in the judgment of Mr. Justice Chrumka and the assertions in the House that no transaction occurred, yet on page 4 . . .

MR. SPEAKER: Order please. We've had the Chrumka judgment four times now. Surely the hon. leader can ask his questions directly. The hon. ministers are not responsible for what appears in a judge's judgment. If he has questions about that, he can speak to the judge.

MR. NOTLEY: Mr. Speaker, I think it's rather questionable about hon. members speaking to judges. I think we've had some experience in the Canadian House of Commons on that particular issue.

However, I would ask the Premier, in light of the answer of the hon. minister, whether the Premier would consider asking the Auditor General to undertake a full-scale investigation under the powers accorded to the Auditor General, to reconcile the position that the government takes that there was in fact no transaction and the judgment of Mr. Justice Chrumka.

MR. LOUGHEED: Mr. Speaker, for whatever answer he can give, I refer the question to the Provincial Treasurer.

MR. HYNDMAN: Mr. Speaker, I would think that would be a matter with regard to which the Auditor General would make the decision.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister.

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

MR. NOTLEY: In light of the fact that the Auditor General can only undertake a special investigation either at the behest of Executive Council or as a consequence of a resolution passed by this Legislature, (a) would Executive Council be ready to consider such a request, or (b) would the government be prepared to support such a motion in the Legislative Assembly?

MR. HYNDMAN: Mr. Speaker, I think that would depend on an assessment as to whether there was prima facie evidence or an indication that there was a matter within which the purview of the Auditor General would be appropriate.

MR. NOTLEY: Mr. Speaker, I have additional supplementary questions and will come back.

AOC Loan

MR. NOTLEY: Mr. Speaker, I'd like to direct the second question to the hon. Premier. Several weeks ago the Premier indicated that on July 7, he had held a meeting with the former Attorney General on the question of Ram Steel in Red Deer. Is the hon. Premier in a position to advise the Assembly whether any other meetings took place prior to that meeting? In particular, was there any discussion at a Conservative fund-raising dinner on December 10, 1981?

MR. LOUGHEED: Mr. Speaker, I have no knowledge of that.

MR. NOTLEY: Mr. Speaker, a supplementary question. Can the Premier advise whether any member of the Premier's staff, other than Mr. Dutton, held meetings with officials of Ram Steel during 1982?

MR. LOUGHEED: Mr. Speaker, I'd have to check and report back to the House.

MR. SPEAKER: I wouldn't want that last question to be taken as a precedent. I know it got past the Speaker — a number of them do, and that's always going to happen — but a question asking somebody whether, during the course of a whole year, a staff of possibly half a dozen persons have had conversations is something that should be on the Order Paper.

Senate Reform

MR. R. SPEAKER: Mr. Speaker, my question to the hon. Premier is with regard to the recently announced joint committee of the federal government on Senate reform. I wonder if the Premier could indicate whether the government's position is still the same with regard to an appointed Senate, or is the government's position in transition at this point?

MR. LOUGHEED: Mr. Speaker, I refer the question to the Minister of Federal and Intergovernmental Affairs.

MR. HORSMAN: Mr. Speaker, the federal government has announced the formation of a committee. As well, it's our understanding that the federal government will be issuing a document, to be called a green paper, as to their position relative to Senate reform. At the present time, we have before the people of Alberta a document which was by way of a discussion paper, hoping that it would engender some input from the people of Alberta as to the proper composition of a reformed upper House for Canada. At present the government has not taken a fixed position relative to reform of the Senate and would welcome suggestions from members of the Assembly and the public as to how we should properly approach that issue.

I think it's fair to say — and it was mentioned in the Speech from the Throne — that the government is interested in making representations, either at a first ministers' conference or by other means, as to an appropriate reform for an upper House in Canada. However, there is at the present time no fixed position. Certainly we welcome comment on the discussion paper, which provides for an appointed body with primary representation coming from the provinces.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Federal and Intergovernmental Affairs. Is it the intention of the minister, the Premier, or a member of the government of Alberta to make a presentation to that joint committee when they come to Alberta?

MR. HORSMAN: That has not yet been determined, Mr. Speaker. Certainly we are interested in seeing what the federal government is going to propose by way of the green paper, because there have been some indications that that document may contain elements relating to a partially elected Senate and a partially appointed Senate, with representation directly associated with provincial governments. We're interested in looking at that. Certain-

ly I think it is fair to say that there will be a position prepared on behalf of the government of Alberta. Just how that will be communicated has not yet been determined.

MR. R. SPEAKER: Mr. Speaker, to the hon. minister. Could the minister indicate what steps are being followed at the present time for the government to finalize its position with regard to the Senate? Is the province going to have public hearings? Is there a cabinet committee reviewing the matter at the present time? Are there going to be public hearings by cabinet ministers and other people? What types of things are happening that will lead up to a final decision by government?

MR. HORSMAN: No formal procedures have yet been determined. The matter will be considered by Executive Council and the government caucus, and a decision as to how to approach the process will be made in due course.

I should say, however, that we as a government believe that any final decision relative to the Senate or an upper House and its ultimate shape will have to take place after consultation at the first ministers' level. In other words, it will not be a decision made solely by the government of Canada through the process that has now been outlined by the establishment of the joint Senate/House of Commons committee, and it certainly cannot be done on the basis of the government of Canada's green paper. Therefore, it will have to be a matter for consideration and discussion at the first ministers' level.

As well, Mr. Speaker, I think we must bear in mind the decision of the Supreme Court of Canada on the Senate reference case in making a final decision as to the ultimate shape and form of an upper House for Canada.

MR. SPEAKER: The hon. Member for Edmonton Norwood followed by the hon. Minister of Transportation, who wishes to provide some information previously asked for.

Human Rights Curriculum Review

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Education. In his ministerial statement of Thursday, May 12, the Premier said he'd ask the minister

to bring forward a series of recommendations or options with a view to establish new procedures in our schools and to provide better communication with our parents, and to reduce, if not eliminate, the possible recurrence of such offensive events.

Is the minister in a position to advise what group or agency will be charged with the task of bringing forward the series of recommendations dealing with better school/parent communication?

MR. KING: Not at the moment, Mr. Speaker. As I indicated in an earlier response to what I think was a similar question, while I expect that staff of the Department of Education will be actively involved in the task, it is also in the nature of the task that we will have to depend upon the involvement of interested members of the public, both individuals and groups. I have asked the department to develop for my consideration a proposal by which the review could be undertaken and in which members of the public, both individually and by groups, could be involved.

I might add that next Monday morning I expect to

meet with the representatives of one such group, and their advice to me on the matter will of course be taken into careful consideration.

MR. MARTIN: A supplementary question, Mr. Speaker. Can the minister advise when he expects to receive these recommendations?

MR. KING: I expect to receive them in the not too distant future, Mr. Speaker, by which we might say two weeks. It is important that the process be open to everyone who is interested in the question. And when the process is under way, it is important that it be handled expeditiously. There are undoubtedly some things that need to be done, and some of those things should be done before the next term of school starts on September 1, which is to say that certain decisions would have to be made during the course of the summer.

MR. MARTIN: A supplementary question, Mr. Speaker. What consultations has the minister planned with the various educational stakeholders, i.e. the ATA or the Alberta School Trustees' Association, with regard to the implementation of any or all of the recommendations brought forth?

MR. KING: I think extensive consultation has been a characteristic of my term as Minister of Education. I would make an undertaking to the various groups that on this issue, they would have the same opportunity for consultation and I would take the same benefit from consultation as has been the case in the past.

MR. MARTIN: A supplementary question, Mr. Speaker. Can the minister advise what budget has been struck for the purposes of funding the studies and for effecting the implementation of the recommendations which might meet approval?

MR. KING: No budget has been struck, Mr. Speaker. It's rather difficult to strike a budget before you make a decision about the process you are going to follow. Generally, it is the practice in the Department of Education — perhaps unlike the practice in other places — that we strike our budget when we know what it is we want to do.

MR. MARTIN: A final supplementary, Mr. Speaker. Will the minister assure the Assembly that such a budget will not be charged against existing local school board budgets but will be a special budget from the Department of Education?

MR. KING: Mr. Speaker, there are budgets and there are special budgets and, one way or another, they all come out of the taxpayer's pocket. We will make a decision about what we consider the priority concerns of the Department of Education at the present time. If, in the course of this curriculum review and in the course of reassessing the certification of teachers, we decide that for the purposes of public policy those activities have to have a higher priority, then we will assign the resources necessary to attain that priority. If it means reallocating resources that are currently in use for programs of lower priority, then that is precisely what will be done, unless the hon. gentleman is making a submission that this should not be given a high priority.

Railway Crossing Accidents

MR. M. MOORE: Mr. Speaker, during the course of last week, the hon. Member for Clover Bar asked a number of questions relative to railway level-crossing accidents, one of which referred to whether or not the Department of Transportation had had discussions with the railways regarding reflectorization of the sides of rail cars. I can advise that while our department was not involved, both major rail lines have a policy of reflectorizing their rolling stock on the basis of when that rolling stock is painted or needs some repairs and is taken into their shops. That work has in fact been done on a regular basis over the course of the last couple of years.

Human Rights

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Federal and Intergovernmental Affairs. It's a follow-up to a question I asked Friday with respect to the sale of almost half a million barrels of Alberta light crude to the Pinochet dictatorship in Chile. In the minister's capacity as Minister of Federal and Intergovernmental Affairs, have there been any discussions with the federal government with respect to the question of whether commitments to the upholding of human rights should be attached to all trade initiatives?

MR. HORSMAN: Mr. Speaker, not in my capacity. The subject of international trade is of course dealt with by a minister specifically charged with that responsibility in our government. I therefore suggest that my colleague the Minister of International Trade may be able to comment on that particular issue.

MR. NOTLEY: Mr. Speaker, I may come back to the hon. minister in a moment, but I will redirect the question to the hon. Minister of International Trade and ask whether there are any guidelines in place by this government, in terms of its trade initiatives, with respect to human rights and trade?

MR. SCHMID: Mr. Speaker, maybe I should say first of all that no matter where in the world people of those nations buy grain and wheat from Canada, it is most important that what we are doing is feeding the children and people of that particular country, and therefore we trade with these countries. I would also have to state that the same question might be put to every single farmer in the province of Alberta — whether or not that farmer might want to sell his wheat to other countries which may or may not have the specific area of political thinking that the hon. Leader of the Opposition may have. Then, of course, you also have to add that as we all know, international trade is very much dependent upon the agreements the federal government provides. Therefore it is the federal government that really issues the policies to which Alberta very strictly adheres.

MR. NOTLEY: Mr. Speaker, a supplementary question. What assessment has the minister's department made of the difference between the sale of food to feed people and items of a strategic nature — oil being of a strategic nature — which could in fact be an agent of oppression in a country that is not following strict adherence to human rights? Has this government made any assessment of the distinction between the sale of food and strategic items?

MR. SCHMID: Mr. Speaker, the Leader of the Opposition knows extremely well that even food can be a strategic item — in fact very much so, probably more so than oil. As he also well knows, whether it is a car that is run by gasoline or whether it is oil or propane which might cook the food in some countries, I think it is still a question of whether or not Canada as a nation should deal with a respective other nation in its general trade policy.

MR. NOTLEY: Mr. Speaker, a supplementary question to either hon. gentleman. Would it then be a correct conclusion for the Assembly that the position of the Alberta government on international trade matters is that a buck is a buck, regardless of the human rights record of the importing country?

MR. SCHMID: Again, Mr. Speaker, if the hon. Leader of the Opposition would like to tell the farmers of Alberta not to sell their wheat to any other nation, if he would like the children of the other nations to go hungry and die of hunger, that is his position and not ours.

MR. NOTLEY: Mr. Speaker that's certainly an interesting comment but not an answer to a question. The question is: is the position of the Alberta government to have a totally hands-off approach in all trade matters as far as the human rights question is concerned — yes or no?

MR. SCHMID: Mr. Speaker, again, I am saying yes or no to the Leader of the Opposition. Does he want Alberta farmers to sell their wheat to other countries or not, because wheat or food is as much a strategic commodity as anything else — yes or no, Mr. Speaker?

MR. NOTLEY: Mr. Speaker, a supplementary question. The question is with respect to half a million barrels of oil. [interjections] I would put to the minister again whether this government has a policy of . . .

MR. SPEAKER: Order please. We'll need a little more originality than that. We've had the same question twice and the same answer twice.

MR. NOTLEY: Mr. Speaker, perhaps I could then put a question to the hon. Minister of Federal and Intergovernmental Affairs and ask that minister . . .

MR. MARTIN: He doesn't get as excited.

MR. NOTLEY: Yes, he doesn't get as excited. Perhaps he should, but normally not.

Has any discussion taken place with agents general of the government of Alberta on the question of human rights violations and trade initiatives?

MR. HORSMAN: Mr. Speaker, agents general represent the government of Alberta in the Pacific Rim, the United States of America, and in the United Kingdom, to deal with western European matters. Those agencies that we as a government operate outside Canada operate very closely with the government of Canada and the high commissions or embassies, as the case may be. In all cases, the trade policies established by the government of Canada are carefully followed and taken into account. I have not had specific discussions with the agents general with respect to the issue that is now raised by the hon.

member, except to say that it is my understanding that in assessing the trade policies of this country, the government of Canada does take into consideration matters such as that raised by the hon. Leader of the Opposition.

It is our understanding that in the case cited, for example, the export of oil to Chile was authorized by the National Energy Board. That, of course, is something that we live with. I repeat what has been said many times in this Assembly and outside: our maintenance of an international trade presence is to try to sell Alberta products abroad but within Canadian trade policies established by the government of Canada.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given the minister's colleague's indication on Friday that he might consider bringing the issue of human rights violations to the next meeting of ministers in charge of human rights commissions, has the government of Alberta given any consideration to asking trade officials to be careful to note the distinction between strategic and non-strategic items? We can get into an argument over what is and what isn't. But has this government any assurance, for example, that the Pinochet regime in Chile will not in fact be using Alberta oil to fuel their army of oppression?

MR. HORSMAN: Again, Mr. Speaker, that is a matter for the government of Canada. We co-operate with the government of Canada in our trade policies. To my knowledge, the government of Canada has not entered into any embargo on the export of goods to the Republic of Chile. There may be a case that the hon. Leader of the Opposition wishes to make or have his colleagues in the House of Commons make on that issue. But at the present time, I don't think I can give any different answer than I have already given, my colleagues gave on Friday, or my colleague the Minister of International Trade gave today in this Assembly.

Extended Care Facilities

MR. NOTLEY: Mr. Speaker, I'd like to direct a question to the hon. Minister of Hospitals and Medical Care. It's with respect to the government's position on extended care facilities in the province. Is the minister in a position to tell the Assembly when the second reason that these projects were on hold; namely,

a temporary halt in additional project approvals will permit our hard-pressed staff and outside consultants to consolidate efforts on projects now in progress . . .

When will that obstacle be overcome, so new projects may be considered?

MR. RUSSELL: I hope soon, Mr. Speaker. Of course, that memorandum was written well before the time when we were facing the budgetary restrictions and cash-flow problems that many governments are now facing. Notwithstanding that, the department currently has under way, in one form or another, about 100 different building projects, with a capital investment value approaching the \$3 billion mark in today's dollars. I hope the hon. leader isn't finding some fault with a program of that scope.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. What exception, if any, is the government prepared to make with respect to extended care facilities in those districts such as the central Peace, where you have no auxiliary hospital or nursing home facility for an

entire region? Has any evaluation been given of the special problems that kind of unusual situation brings? Will special exemption be considered for those projects?

MR. RUSSELL: I wouldn't use the terms "special exemption", but I think it's fair to say that such areas certainly deserve a high-priority position, Mr. Speaker. I was in the town of Manning not too long ago, meeting with their civic leaders and going over that specific issue. I know what the problem is and the difficulties involved in sparsely populated regions of the province, in many cases having to send those patients several miles from their homes in order to receive accommodation. All I can assure the House is that within the financial constraints that are there and notwithstanding a very generous capital budget, we're doing the very best we can.

MR. NOTLEY: Mr. Speaker, a supplementary question. I refer the minister not to the Manning area — although that's an area as well where there are some difficulties — but to the central Peace region, where you have, in both the hon. Minister of Transportation's constituency and mine, an area of more than 100 miles by 40 miles where there is no extended care facility whatsoever. People are forced to leave their homes or move from the lodge to a nursing home in Grande Prairie, which may be 50 miles away. Given the problems, will the review process the department has in place give those people some indication of hope within the foreseeable time that their concerns for an extended care facility will be met?

MR. RUSSELL: If I understand the question, what the hon. leader is saying is: will some facilities be built in the not too distant future? The leader referred to the Minister of Transportation's constituency. If my memory is correct, I believe there are some extended care beds planned for the hospital at McLennan, and that project is well into the programming stage. There will be others. The facilities at Grande Prairie will number about 200 beds in the new regional facility that's under way there, and there will be others.

For the time being, we've had to say that the capital works we've got on our plate now and the estimates for this year that are in front of the members of the Legislature indicate all we're able to do this year, and also indicate a provincial program that's unmatched in scope anywhere else. So we are doing pretty well, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question. Has the minister any information with respect to the correlation between the use of active treatment hospitals by people who might better be in extended care facilities, where those are not available? And what evaluation is made of that kind of data in terms of setting priorities for extended care facilities?

MR. RUSSELL: Mr. Speaker, that question is perhaps easier to answer because it has been asked before in the House. I've been very concerned at the level of public expectation out there that the answer to looking after Alberta's chronically ill and aged is going to be building more and more institutions. Across North America, they're looking at the impact this will have by the year 2000 — which isn't that far away now — whereby the number of aged and ill that we'll have as a percentage of the population, and expecting some kind of support and care, and the number of working people in the work force who will be left to support that kind of program is very

startling and alarming. So governments are looking for alternatives.

We know that in Alberta, in many instances there are people waiting for auxiliary or nursing home beds who are perhaps being looked after in active treatment facilities because there's no place else for them to go. That is not the most efficient way of using hospital beds, and it's something that all governments would like to minimize. I believe it's fair to say that collectively, we're going to have to find some way, other than just building institutions, of looking after the chronically ill and aged.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. In the situation where there is no extended care facility in an entire hospital district, what position will the government take with respect to the application of user fees for those senior citizens who would normally be in an auxiliary hospital or nursing home but, because of the distance factor, may have to be in an active treatment hospital?

MR. RUSSELL: Mr. Speaker, the irony of the situation is that they are better off in an active hospital than they would be if they were in an auxiliary or a nursing home, because the auxiliaries and nursing homes have had co-insurance fees for many, many years. The patients are obliged to pay a fee for each day, with no cap on it. If they're in an active treatment hospital, at least that won't be the case. They will have the cap, and they will be exempted if their income level qualifies them.

ORDERS OF THE DAY

head: MOTIONS FOR RETURNS

MR. HORSMAN: Mr. Speaker, I move that Motion for a Return No. 174 stand and retain its place on the Order Paper.

[Motion carried]

head: COMMITTEE OF SUPPLY

[Mr. Purdy in the Chair]

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

Legislative Assembly

Agreed to:

1.01 — Administrative Support

\$4,044,532

1.02 — Members' Indemnities and Allowances

MR. MARTIN: Mr. Chairman, before we go any further on this, such that we will let this go through at this particular time, I would like to rise and make a couple of short points while the hon. House leader is in the House, as I take it he will be here for a while. Last Thursday the Member for Little Bow asked in a motion that was debated — and I've looked through *Hansard* on that — about the establishment of a board of internal economy. I say to the hon. House leader that I wish he would take a

serious look at this.

I'll go back and refer to where it came from. It seems to us in opposition that although the government has previously recognized the legitimacy of the principle of the need to adequately fund two basic elements in the Legislature — those being the government and the opposition — we feel very strongly that it's not working properly in Members' Services. I do not think that is anybody's fault particularly, but I think we can make the point that there's been a gradual eroding of that. I know it was the government's policy, and at the time they were very generous.

On May 2, 1975, the then Government House Leader, Mr. Lou Hyndman, announced the establishment of a new regime of grant funding to the opposition. I believe at the time it was an extra \$150,000, which — and I give credit where credit is due — at that time was generous. I quote the hon. Mr. Hyndman:

Consistent with the parliamentary tradition that recognizes two basic elements in the Legislature — Government and Opposition — the [grant] will be made to the Leader of the Opposition for distribution to the six non-government M.L.A.'s after appropriate consultation.

This clearly recognized what we were trying to say in the Members' Services Committee: there are two different roles, one for opposition and one for government members. Clearly it was an extra amount of money given to the opposition at that particular time. Mr. Chairman, I suggest that at the time it was very generous. It defeated the arguments we heard in Members' Services. If you recall, at the 1975 election the opposition was reduced from 26 members to six and, because they didn't have the number of MLAs to act and do some of the opposition research, the Government House Leader said extra money was needed. That was precisely the point we were trying to make in Members' Services. Obviously it was not too successful at the time. The point we tried to make is that just because the opposition is smaller, there still is the same amount of work to do. We still have the same number of estimates, the question period. All the same things are there. If you went up from six to 26, it would not mean it should be increased that much, because a lot of the research would be the same; about the only thing you would need is some more secretarial staff.

So we're saying that in 1975 the government — perhaps fresher then and more idealistic; I don't know — recognized very clearly that even with a small opposition of six at that time, they needed extra money to do the job. What has happened since then? If we look at Members' Services we see that since the 1975-76 fiscal year, funding for government backbenchers has increased by 1211 per cent, while that for opposition members has risen by only 187 per cent. So again, basically a slower eroding of what the Government House Leader was saying at the time.

Now, why the board of [economy]? The Member for Little Bow brought that up because we had some precedent. The Camp commission was set up by the Conservative government in Ontario precisely to look at the best way to look at funding, both for government members and opposition members. They spent some time doing it. It was a commission struck by a Conservative government entrenched in power, that has been in power much longer even than the government here. So its findings can in no way be taken as reflecting solely the interests of the opposition. After looking into it, the Camp commission found — and I quote just a paragraph on page 51:

The Government Caucus has available to it the

research resources of the Ministry, wherever reasonably required, just as it enjoys the value of ministerial briefings, supported by the experts or consultants who have been employed in the process. Individual Members of the Government have a natural and entirely appropriate access to Government departments — certainly, to the Ministers themselves — so that the amount of information available to Government Members is more or less equal to their need for it.

They go on to say:

The Opposition Members, by definition, lack such access and, indeed, it would be questionable if they would wish it, even if it were available. It is surely basic to their function that they have independent resources which, if unequal in their numbers, need not lack in quality.

And the last part:

The Commission believes that the Opposition parties in the Legislature should have a research capacity considerably greater than that which they presently manage to achieve out of their caucus allotments ... we believe it is in the interest of the legislative process and in the general public interest that the research capacity of Opposition Members be improved.

We're now finding, of course, that the opposition backbenchers' budget is not higher. When we made that statement in Members' Services, we said we had the same function. There's the Camp commission, set up by a Conservative government, basically saying the same things we said in opposition.

Mr. Chairman, when we have to deal with estimates for all departments, our total opposition funding for this particular budget year will be \$530,000, while funding to Conservative members, including ministers' offices, will be almost \$5.8 million. On the board of [economy], we see members of cabinet along with government and opposition members. There aren't many people in opposition, but I believe the hon. House leader was at one time. Some ministers may have a more reflective view of what it takes, in terms of opposition and their members, and could perhaps be less partisan in Members' Services than a whole group of backbenchers who outvote opposition. They've found that this works very well in Ontario, talking to all sides on it. I know it's not going to come about this time but, in honesty, I'm saying that we're going to be dealing with procedures. We're looking into the Legislative Assembly Act, which I believe is a wise thing to do, and perhaps we could take a look at this, not on a partisan basis. As I said in Members' Services, there will come a time when maybe the Conservatives will be in opposition, and there will be another government.

So hopefully we're not dealing with parties here, Mr. Chairman, but looking at what is proper for the Legislative Assembly Act. If the government's not prepared to look entirely at the Ontario model, fair enough. We could take a look at it and set up our own commission to look at what's a fair and equitable way. Surely we have some good people around like Mr. Camp, who is a well-known Conservative, who could run a commission and would look into it in a very non-partisan way. But it serves nobody well. And again, I think I can say this to the hon. House leader — I believe you were in opposition — it serves nobody well. If I'm correct, I remember the opposition complaining to the government — and I think rightfully so at the time — that they were being strangled. I think that during their first four or five years, the

Conservative government did an excellent job in funding opposition. But we now see a trend the other way. You can look at the latest figures, right from '78-79, and see the differences.

Mr. Chairman, I would like to conclude by again saying to the government as clearly as I can, in a non-partisan way: let's take a look at what happened in Ontario, where they spent some time studying it. If we're not necessarily prepared to go the route of the Ontario board of internal economy, let's at the very minimum set up some sort of commission that can look at this. Surely the principles of democracy itself are at stake, and I don't think that's asking too much for the government to look at in the future.

Thank you, Mr. Chairman.

MR. R. SPEAKER: Mr. Chairman, I'd like to make a remark on the same subject but maybe just a little differently. On Thursday, May 19, 1983, I made remarks with regard to the permanent board of internal economy, and I certainly feel that could be an improvement for the committee that looks at expenditures relative to the Legislative Assembly, specifically with regard to government and opposition members. I have to say that from my observation of the present Members' Services Committee, I have not been impressed. I have either sat in on or been part of the Members' Services Committee for some time. As a Social Credit group, we had membership on the Members' Services Committee. Mr. Fred Mandeville was our representative and, prior to that, other members were part of that committee.

I would have to say that over the years certainly there was some partisanship in that Members' Services Committee, but there was also fellowship. Each of the representatives from the various caucuses listened to each other and tried to solve the problems with some kind of objectivity. Not once do I ever recall Mr. Mandeville coming back to our caucus in the last Legislature and complaining about being railroaded. He was able to take a caucus position, present it to the committee, and there seemed to be some harmony, not disharmony. But I'd have to say to the hon. House leader that I think the major crux of the problem facing us at the present time — my colleague Dr. Buck and the hon. Member for Edmonton Norwood felt this, I'm sure — is that the committee is unworkable with the present attitude.

I sat in on the last committee, that was attended by both those respective members, and I had to agree with them. When they came back and said, that is enough, we're not going to those committee meetings any longer, I agreed with them instantly. I had no hesitation at all about saying, that is the right decision. If the government wants to take that kind of position, that kind of attitude, they can take total responsibility for any benefits given to or taken away from members. We do not have to be part of that, and we'll live with whatever happens. Knowing the operation of government in general, I don't think we're overly concerned about that. That is the crux of the problem we're facing right now.

It's unfortunate. If we can't look at some other kind of restructuring, I suggest that possibly the House leader, some representative of cabinet, or the Premier sit down with the people that have been designated as part of the Members' Services Committee and look at the ground rules. My understanding is that people who sit on the Members' Services Committee come in with a greater amount of objectivity. You can't lose all your partisanship, but you come in with an open ear, with an ability to

try to work with each other and settle problems for the good of the Legislative Assembly and the members.

It is not an adversary system in committee. In this Legislative Assembly it is an adversary system, and we agree with that. That's the way it should be; I don't deny that at all. But in the Members' Services Committee we have one unique place where members take down the fence, trust each other, and talk about the problems that face each and every one of them.

Mr. Chairman, to the hon. House leader and any other members in this Legislature, I saw that those ground rules were abused and ignored. At that point in time, it was certainly my position and my support from this side of the House saying, that's enough; we don't have to take that. We do not have to be part of that kind of system. It can be better.

We are elected, supposedly mature representatives that come here to represent our constituents. As well, we have a responsibility to be mature in interacting with one another. We might fight in the hustings; we may scrap, fight, and be adversaries in this Legislative Assembly. But in that committee we have one unique place to talk as colleagues with common problems, to try to understand each other. Mr. Chairman, to the hon. House leader and others, when that broke down, the committee function was ended. I didn't see any further purpose for my colleague — and I'm sure the hon. Member for Edmonton Norwood felt the same way — maintaining membership on that committee. If the House leader and members of that Members' Services Committee can see even a re-vamping of the purposes and the openness of that committee, I'm sure we'd be open to reconsider. Under the present circumstances, we're not.

Certainly we've made a suggestion here as to another framework. I think that was one way I was attempting to say, look, I think we need another dimension of government on that committee to try to bring it back to its original purpose. Maybe it won't work. The cabinet ministers may be as partisan or it may get into the same difficulties, who knows. But we thought that was a suggestion. I'd like to have government think about that and reconsider. If they want harmony within that committee, I think the ground rules must be more clearly established. The people that presently have membership on that committee should discuss the problem amongst themselves and come back to this Legislature with a better, more reasonable format.

DR. REID: Mr. Chairman, as a member of the Members' Services Committee, I really don't feel we should allow the last two statements to go unanswered. The committee did not function in a partisan way but with some responsibility to the people of Alberta. We started off with the idea of establishing some principles that certain offices should be funded. The funding of the office for the Leader of the Official Opposition at some \$230,000 a year is pretty close to what was requested, \$243,000 a year. We also established some funding for the leader of a parliamentary coalition, funding that had not previously existed in this Assembly. Where the difference of opinion came, essentially, was on funding for individual members on the opposition side vis-a-vis funding for individual government members.

I think the government members showed considerable restraint in that funding per member in 1982 was some \$18,000, and in 1983 was some \$19,750. If one looks at the total budget, in 1982 opposition funding was some \$102,000 a member, and in 1983 is some \$130,000 per

member. If one takes out the funding for the offices of the Leader of the Official Opposition and the leader of the Independent coalition, one is still left with funding of some \$50,000 for each opposition member, which is two and a half times that for any government member and is enough to allow for a researcher, a secretary, and some supplies for each individual member of the opposition.

I think the figures arrived at were reasonable. Total funding for the opposition is admittedly somewhat less than last year, but there are four members as opposed to six. One statement made with which I had some difficulty was that because the numbers had gone down, the funding should go up. The reverse of that is that if the numbers went up, the funding would go down. I don't think that would be too acceptable either. I think the funding allocated has been reasonable, and I have no difficulty with it as a parliamentarian. Looking through all the information presented, if one looks at the Ontario example with the system they have, funding per member is no greater than it is here in Alberta and, if you work it out, is usually less per member than here after taking out the offices of the Leader of the Official Opposition and the third party in Ontario.

Thank you.

MR. MARTIN: Let me just bring it back to specifics. We won't go through all the same arguments we had in Members' Services, because it's clear from the hon. Member for Edson that that's exactly the point we're trying to make. The members were determining what was needed in opposition. That member has never been in opposition, and I know the Government House Leader has.

Rather than go around on Members' Services — I know that's going to be said — let me ask the Government House Leader a couple of specific questions about this. To the hon. Member for Edson, when we said it before — if I can use a famous expression in this Legislature — it's comparing apples with oranges. I know there's a hon. member here that knows that expression. I would ask two questions. Has the hon. House leader had a chance to look at what the Camp commission did in terms of the board of [economy], why the Camp commission came to what it did? Flowing from that, would the hon. House leader be prepared to take a look at the possibility of establishing either a board of internal economy or another commission here in Alberta to look into this very serious problem?

MR. CRAWFORD: Mr. Chairman, maybe I could react to several observations that have been made. I'll start in the middle of my page of notes and work out to both ends. I do that because I really want to pick up first on the hon. Member for Little Bow's reference to the sort of atmosphere or a general tenor of proceedings in the Members' Services Committee. I thought it was really quite important. He mentioned that there was not expected to be a real adversary system there. I want to agree with him on that. I think that's always been my view of that particular committee. In a lot of ways, the atmosphere of any committee is somewhat different from the Assembly itself, but in particular the Members' Services Committee is one where colleagues get together indeed as equals and in as non-partisan an atmosphere as can be.

However, I want to go from that observation to express just a little surprise once again that the funding of the opposition members — and the hon. Member for Edson has dealt with that — was perceived as it was by

the opposition members of the Assembly, in particular those opposition members who are on the Members' Services Committee. I think a lot of people would be surprised if, say, the hon. Member for Edmonton Norwood went to them and said, I have in excess of \$12,000 a month in order to run my operation; my colleague the Leader of the Opposition has in excess of \$12,000 a month as well. We pay basically no local travel. We pay no rent. The building and the salaries we get are in addition. I think your average citizen would be just a little surprised when you then said, it's not enough.

I don't want to make the argument again that has been made in that committee and made here, over what the figure should be. But I have to say, the Member for Edson already having made the point, that in comparison with other provinces — in many comparisons, it's generous; in the reference to Ontario in particular, it's my understanding, at least comparable. If I'm in error on any of the facts, I regret that, but would be corrected if others have other information. That would be the proper thing to do. But however it's looked at, among the four opposition members, something like \$10,000 a week is available on a year-round basis. I know if I went door to door in my constituency and said, I have some colleagues from the opposition in the Legislature who get over \$10,000 a week to criticize us and do their other duties as well, do you think they should have more — I think the answer would be, why are they getting so much?

The other observations I want to make, Mr. Chairman: the hon. Member for Little Bow mentioned that there was a proposal, at least, made some time ago by my colleague who was formerly the Government House Leader, that perhaps the opposition leader should receive a lump sum and make the distribution among members of the opposition, including Independents. My recollection is that since 1975, there has always been at least one Independent in this Assembly. My memory is also that when we suggested that, we got a fair amount of static from the former Member for Olds-Didsbury who was then the Leader of the Opposition. We took that to be the official position, not only of the Leader of the Opposition but of the party he led at that time. So if that's still the way to do it, despite criticism of that proposal in the past, that's surely something the Members' Services Committee could still consider by way of any recommendation they wish to make.

The question also came up, from both hon. members who've spoken, about the attitude toward a board of internal economy similar to the Parliament in Ottawa. I think we never do rule out any possibilities for change. I should say, though, that we have no present intention of distinctly moving in that direction. It's perhaps something that deserves further discussion. Maybe all hon. members will see that that's done. I have no strong feelings but would have thought the present system serves the same purpose at least as well; my point, therefore, being that although there's no intention to encourage hon. members in that direction, speaking for myself my mind is open on the matter of change, because we all want the same thing in the sense of a system that fulfils the normal hopes and expectations for services to members, regardless of party. There's no doubt that that's the goal of all.

In answer to the hon. Member for Edmonton Norwood, I have not looked at the report of the Camp commission. It's not something I've retained in my mind with an undue degree, perhaps, of animosity, that I read very little that Mr. Camp ever writes. The other observation that might be made is that if Mr. Camp had ever

succeeded in being elected to anything in the way of a representative Assembly, perhaps he would have been a more suitable choice for that. I also feel that the merits of any argument made usually speak for themselves. I suppose I'm forgiving enough — and perhaps a few other things as well — to have, if not a commitment, at least a willingness to take a closer look at it in the upcoming months, because I know this discussion will be back with us again. In many respects, the precedents of some of the other assemblies, including Ontario, are indeed of some use. So I think that answers the second part: a willingness without a commitment to look at what's been proposed in that respect.

MR. MARTIN: I will be very short. I appreciate that even if Dalton Camp is heading it, the member would be prepared to look at it. I think there is some merit to it, if he goes through it as I have. I believe the basic structure will change. The fact remaining is that not many members in this House have ever sat in opposition. I believe you're one of the few. Mr. Hyndman might be . . . [interjection] Oh, you weren't there till '71. Well there he is, probably the only one. [interjections] That's right. Thank you. I know the hon. member didn't. There are very few left, if we can put it that way. But there are differences that people do not perceive, and I wish they would look into it.

But I just cannot let that little dig go through about his knocking door to door. At the same time you're knocking door to door, we would explain to them that all members get that communication allowance. What we're talking about is the research capability. I'm sure if you ask them if the government backbenchers are worth \$845,000 of taxpayers' money, you might get a different reaction too. As you're knocking door to door, if you gave the voters the total opposition's \$500,000 and some, in terms of checking and doing what an opposition does, as back-up against \$5.8 million, it might change the picture somewhat too. So if we're going to be fair about that, I think you have to put the whole question to people.

We're not talking about members' services in terms of what we want for our constituencies. We're all well looked after there; no question about it. What we're basically talking about is the research capabilities. With four of us — it would be nice if there were 30 of us for 30 departments. You could become an absolute expert in each one of them; you'd have the time to do that. That would be, I suppose, ideal democracy. In Alberta this hasn't been the case, and we have to live with this.

But at the same time, going back to what the hon. Government House Leader who was in opposition at one point said, there's a different role for opposition than there is for government members, and there's a recognition of that principle. That's what the recognition was in terms of the Ontario commission. We will probably send some records over to you. If you go through province by province, the opposition isn't doing as well as the government members told you, and they know that. When we went through in the House, we brought that information. Mind you, nobody looked at it very much because minds were already made up.

Again, to the hon. House leader: there's nothing much we can do about that; that's already done. But as we are voted 55 to 2 here, if we go into Members' Services Committee we know right away what they're going to give us. No matter what case we make — we didn't even go through it — they've got a figure and that's going to be it. Why waste our time? Send us out a memo. We'll sit

down with the library and the Speaker's office; we can probably agree on those things. But send us a memo, and let us know what we're going to get. Otherwise it's a waste of time, because nothing that we said made any difference. That figure was brought out very quickly.

All I'm saying is, that's done; nothing we can do about that; that's past. I take the Attorney General at his word, in that perhaps he would take a serious look when the House is over — I know he doesn't have a lot of time right now — at a board of [economy], where we have a cabinet minister and some other people who might have a more appreciative role of opposition. Even if it is Dalton Camp, I appreciate the fact that he's going to lower himself to read the material and see if he has any good ideas at all.

Thank you, Mr. Chairman.

Agreed to:

1.02 — Members' Indemnities and Allowances	\$3,204,659
1.03 — Speaker and Deputy Speaker — Office Services	\$189,103
1.04 — Government Members' Services	\$869,267
1.05 — Opposition Members' Services	\$530,000
1.06 — Legislature Committees	\$246,000
1.07 — Legislative Interns	\$168,346
1.08 — Hansard	\$741,292
1.09 — Legislature Library	\$1,064,730
Total Vote 1 — Support to the Legislative Assembly	\$11,057,929

2.01 — General Audit Division	\$3,793,462
2.02 — Departmental Audit Division	\$2,178,892
2.03 — Systems Audit Division	\$1,705,383
2.04 — Resources and Administration	\$1,383,528
Total Vote 2 — Office of the Auditor General	\$9,061,265

3.01 — Edmonton Office	\$644,929
3.02 — Calgary Office	\$155,219
Total Vote 3 — Office of the Ombudsman	\$800,148

4.1.1 — Administrative Support	\$346,879
Total Vote 4.1 — Program Support	\$346,879

4.2.1 — Elections	\$292,790
4.2.2 — Enumerations	\$264,820
Total Vote 4.2 — Electoral Support	\$557,610

Total Vote 4 — Office of the Chief Electoral Officer	\$904,489
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Total Legislative Assembly	\$21,823,831
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MR. DEPUTY CHAIRMAN: We also have a supplementary estimate for the Office of the Chief Electoral Officer.

Agreed to:

Total Vote 4 — Office of the Chief Electoral Officer	\$4,052,000
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DR. REID: Mr. Chairman, I move that the vote be reported.

[Motion carried]

MR. CRAWFORD: Mr. Chairman, I was simply going to mention that on Friday I indicated that Treasury

would be called, and that was our intention for eight o'clock. In the 20 minutes of the hour that remain, unless there's some objection on the part of the Acting Leader of the Opposition, we thought that we might select one or two of the departments that hadn't been completed although they had been called. The proposal is that Hospitals and Medical Care might be called once again.

MR. MARTIN: Mr. Chairman, on a point of order. How long is this for at this particular time?

MR. CRAWFORD: We would have 20 minutes for that item at this time.

MR. DEPUTY CHAIRMAN: So is it agreed that we go to Hospitals and Medical Care?

HON. MEMBERS: Agreed.

Department of Hospitals and Medical Care

MR. MARTIN: Mr. Chairman, I think the hon. minister was asked a number of questions last time; at least I know I asked some. I think there's a number that he may want to respond to first.

MR. RUSSELL: Mr. Chairman, we went on for two previous days on these votes. I have no recollection of the questions that were outstanding from those two days.

MR. MARTIN: Not that I have my notes here, but I know we asked some questions. I'll start it off again and go into some areas that I think — I'll try to get my notes down in the meantime.

The one that I had talked about and asked some specific questions about was the provincial ambulance scheme, or lack of it, and the fact that many different groups, as I recall, have called for a provincial ambulance scheme. At this point, I know the minister has said that we can't afford it. There's some discussion that a provincial ambulance scheme could actually save money. When we start to talk about accidents, if you can get people to the proper treatment right away, that can cut down on the cost later on.

It's my understanding that it would cost — I've seen various figures from \$18 million to \$21 million. I believe there was a commitment even before the '79 election, although I'm not sure of that; the minister can confirm that for me. But it seems to me that's one of the areas where a number of different groups are in agreement that it's not a great deal of money, but we do need some help in that regard. I suggest it's not a great deal of money; perhaps we could look at it.

I know it's not going to come up in this particular budget, but I ask the minister specifically, how far down the pecking order is it? I know the northern Alberta children's hospital is now probably a lower priority than it seemed to be before the election, but I ask him specifically about the ambulance scheme. Can we perhaps look forward to some announcement before the next election? What are the minister's feelings generally about the provincial ambulance scheme as has been advanced by a number of different groups? We'll start off there.

MR. RUSSELL: It's a good question, Mr. Chairman, because it probably gets to the heart of the matter. I was just writing down the list of extra things in addition to the things that are included in these estimates. We've had

a suggestion that psychologists ought to be included in medicare, that a palliative care program ought to be added to the programs of the department, that a provincial ambulance service or heavy provincial support should be added to the services. We've heard about the need for extra extended care beds, and we've also heard reference on many occasions to a children's hospital. All this comes at a time when governments across the country are trying to get the soaring costs of health care under some kind of control. In Alberta, we are faced with difficult problems regarding cash flow because of conditions that are taking place on the international market. I'm also interested to see that the official position of hon. members opposite is that there shouldn't be any user fees for this. They don't like the health care premium system.

I guess what I'm leading up to is that they're very good at suggesting ways of spending money, but they're noticeably weak on suggesting ways of raising money. I'm not going to say that the hon. member hasn't ever worked in his life, because I know he has; he's been a school teacher. But I don't think he's ever generated a dollar or added anything to the gross provincial product, which is where the funds for these programs have to come from. If I could use an analogy, because I've given a lot of thought to it — the answer given is always, well, this should come out of general taxation; tax the rich, the big multinationals, those businessmen out there, and they can pay for it. That's fair enough that these people should be taxed and nobody should have any direct way of paying for things. But suppose the hon. member, in his days as a school teacher — and his colleague is in a similar position, because he's been a provincial politician for as long as I've known him.

MR. NOTLEY: So have you.

MR. RUSSELL: He also derives his total income from the public trough, if I can use that term. [interjections] I recall the days when I was in the business world. I didn't have a very large architectural practice, but I had to rent myself some space, pay somebody to heat and light it, pay somebody to clean it; I had to go out in the market place, seek commissions and work, hire people to produce the work, and if there was anything left at the end, I got a share of the profits. With the kind of work the hon. members have been involved in, they don't do that kind of thing.

I wonder if the hon. member's philosophy would be any different if, when in his school teaching days, he would have had to hustle, go out and rent himself a school classroom, pay for the overhead on it, compete in the market place for students, get customers because he was a good teacher, and not get paid for moving up a grid, just simply for being there. I wonder if he would have any different attitude toward taxing these businesses and getting after the corporations and the people that make things work.

MR. MARTIN: Dave doesn't have the answers, so . . .

MR. RUSSELL: You shouldn't invite me to get up on my feet if you don't like what you're going to hear. [interjections] I've listened to the nonsense that party has spouted throughout this province for many years now, and I think it's time somebody stood up and said, if you are going to keep demanding these things, you're going to have to come up with a way of paying for them. The days when you can just say provincial revenues, tax the rich,

or income tax is the fairest way . . . You trigger these comments because you're on another element of health care and the attitude toward health care: it's universal, accessible to everybody; nobody should have any iota of what the costs are; nobody should ever have to lay out a direct buck for it.

The answer I'm leading up to with respect to the provincial ambulance program is that this year, we simply can't afford it. If communities and the citizens in those communities want upgraded ambulance services, nothing is preventing them from getting those services. Many communities in Alberta have done that exact thing, and they are paying for it, whether it's the town of Airdrie, the city of Calgary or, more latterly, the city of Edmonton. They're doing it, and more power to them. But they don't sit back and say this must be a provincial service funded out of some anonymous pot which hon. members have no idea of how it gets built up.

MR. NOTLEY: Mr. Chairman, I certainly welcome the opportunity to get into this debate after this philosophical tirade and outburst by the Minister of Hospitals and Medical Care. [interjections] It's always nice to get him worked up. There's no one who gets his — I should say Irish up, but certainly gets as red in the face and angry as the hon. Minister of Hospitals and Medical Care. I'm delighted to hear him stand up and, of course, instead of answering the question, hurl personal abuse. [interjections] Members don't like it. Mr. Chairman, my colleague and I are not worried about being outnumbered by the members in this House, so just settle down, hon. members, and listen to what's going to be said.

The hon. Minister of Hospitals and Medical Care makes some really incredible statements in this little diatribe we just heard. He seemed to be challenging the whole principle of universal health care. I think it would be interesting to know where the national Conservative leadership candidates stand, because they all tell us they're in favor of a universal system. We had the Clark government — of course there are some members in this caucus that get very agitated every time that particular gentleman's name is raised. Talk about a professional politician who has never done anything else. Nevertheless, this is the gentleman whose government had the prudence and foresight to ask Mr. Justice Emmett Hall to do a review. It wasn't the nasty Liberals who did it. It wasn't the evil socialists, Mr. Minister. It was the Clark Conservative government. They asked Mr. Justice Emmett Hall — and quite appropriately so, because Mr. Hall has forgotten more at his advanced age about medicare than the Minister of Hospitals and Medical Care will ever know about it. So it was sensible that the Clark government, instead of choosing some of the caucus members in Alberta, as they could have, went to somebody who knew what he was talking about. They went to Mr. Justice Emmett Hall, who looked at the whole medicare situation in the province and the country. He made certain recommendations with respect to extra billing and the funding of health care in this country.

Whether the minister likes it or not — he can get as exercised as he likes and as red in the face as he can. It's not going to alter the fact that as far as most Canadians are concerned, you have the vast weight of those people who support a universal health care system — led, I might say, by people like Mr. Justice Hall — on one hand, and you've got this government on the other. While the arguments that the minister advances can get everybody exercised and enthusiastic in this little Assembly, let

me let you in on a big secret. Canada is a little larger than the 30 or 40 members sitting in this committee today. I think one editorial noted that perhaps government backbenchers shouldn't take themselves quite so seriously. It seems to me that was an observation made in one of the editorials a few weeks back.

Mr. Chairman, let us ask ourselves what the options are here. No one that I know of on this side of the House has argued that there should be a free system of health care. That's not the point. The question is: how are we going to fund health care in the most equitable way, so that people pay in relationship to their ability to pay? Members in this House who have a higher income should pay more than members who have a lower income; the difference between perhaps the Leader of the Opposition, Executive Council members, and backbenchers who have no other source of income. I am told there are some Tories in that particular position, so busy doing volunteer work for federal campaigns at this stage that they have no other income.

MR. MARTIN: Nothing else to do.

MR. NOTLEY: Mr. Chairman, the point that has to be underscored is that the principle of accessibility should be there to everyone, and we should pay in relationship to our ability to pay. If the minister thinks that's a far-out idea, he's entitled to that point of view.

MR. MARTIN: Say it to the public then.

MR. NOTLEY: I gather that Peter Pocklington shares the same point of view. Certainly there are various right-wing organizations around the world that would like to do away with these universal programs. But, Mr. Chairman, most Canadians and, I would say, most Albertans would reject that kind of nonsense for what it is: nonsense.

I would challenge the minister — not for the kind of debate we have here, where we've got this huge gallery of people who pound their desks. But I would challenge that minister, member to member, in an open public debate by the Friends of Medicare or . . .

AN HON. MEMBER: That's all who would show up.

MR. NOTLEY: Some members won't even show up for this tonight; I'm sure they won't.

MR. MARTIN: Then you'd know what it felt like every day.

MR. NOTLEY: . . . some totally neutral organization to debate health care in this province, nose to nose, without anybody running interference. It can be open to whoever wants to come, rather than the kind of situation we have here in this House. It always amazes me, Mr. Chairman, that we have a government that is so courageous when they're tackling a little opposition in this House but so frightened of meeting public protest rallies, so frightened that most of the Tories didn't even bother to engage in joint party forums. We had to chase them up one street and down the next in order to get them to go to joint party forums during the election campaign. [interjections]

But in this House, all of a sudden they have incredible bravery when it's 75 to 4. Well, Mr. Chairman, I really wonder.

MR. MARTIN: Even little Rollie's getting excited.

MR. NOTLEY: Yes, even little Rollie is getting . . . It's nice that we've got it worked up, Mr. Chairman, because once and a while we have to do that. If we didn't do that, one wouldn't realize whether the backbenchers were even alive in this House. Some mortician might come along and take the whole works, if we didn't have somebody — and then look at the expense of medicare. We might have to take them by ambulance and everything else, so we wouldn't want that to happen.

AN HON. MEMBER: At least we sit in the House.

MR. MARTIN: Where, where?

MR. NOTLEY: Yes, where?

MR. MARTIN: Look behind you.

MR. NOTLEY: Look at the front bench, Mr. Minister. Where are all your colleagues to help you in this great battle. [interjections]

Mr. Chairman, we are asked by this government to bring in a system of user fees, a system which is going to impede the access of many people to the medicare system. Now the minister will stand up and say, no it won't impede; we've got some sort of legal opinion that says it's not going to impede accessibility to the system. But, Mr. Chairman, I've been receiving letters and correspondence from people all over the province, including people who quite frankly start their letters by saying: I'm sorry I voted Conservative in the last election, because I didn't think I was voting for user fees.

Why should you do that, Mr. Chairman, when there are other options to finance health care? No one is arguing that it should be a free lunch. The question is, who is going to get the free lunch? Under this government's approach, it's going to be higher income people who aren't going to be paying their share. Forget this nonsense about somehow we're oppressing the poor doctor, lawyer, accountant, and architect; we really have to worry about them.

Mr. Chairman, one aspect of civilization is a progressive income tax system. While there are certain Tories saying we should do away with that and everybody have a flat figure, most rational people in the world reject that notion. Most rational people support a progressive income tax system. Most rational people feel that government services should be financed in relationship to people's ability to pay. That should include most Conservatives as well as people regardless of what their political stripe may be. But instead of raising the extra funds that way and instead of saying that we're going to look at an increase in personal income tax so that higher income people pay more, and perhaps we'll look at the exemptions on income tax so that the working middle and especially the working poor don't get hit — there are ways of doing that, as the minister knows perfectly well. But no, instead of taking that route we are going to bring in this user-fee basis. God knows how that's going to operate, because it's going to be up to the hospital boards. So we're going to have a piecemeal, patchwork system. One hospital is going to be \$20 a day.

MR. COOK: Mr. Chairman, can I ask the member a question? Does he suggest that we should be raising taxes, and would he campaign on that basis?

MR. MARTIN: Sit down, Rollie.

MR. NOTLEY: Sit down, Rollie, just sit there. As Tommy Douglas said, keep your brain warm.

MR. DEPUTY CHAIRMAN: Order please. The time for the committee has now concluded. We'll have to continue this at some other time.

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1984, for the purposes shown for the Legislative Assembly: \$11,057,929, support to the Legislative Assembly; \$9,061,265 for the office of the Auditor General; \$800,148 for the office of the Ombudsman; \$904,489 for the office of the Chief Electoral Officer.

We also had supplementary estimates. Resolved that a sum not exceeding \$4,052,000 be granted to Her Majesty for the fiscal year ended March 31, 1983, for the office of the Chief Electoral Officer under the Legislative Assembly.

The Committee of Supply has had under consideration certain resolutions and reports progress thereon.

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

HON. MEMBERS: Agreed.

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

213. Moved by Mr. Woo:

Be it resolved that the Assembly urge the government to consider the establishment of a palliative care program in the province as an integral part of the Alberta hospital program.

MR. WOO: The subject of palliative care, Mr. Speaker, is a very broad one. It covers a tremendous area of interest and concern. It has within it its own inherent complexities. It also deals with a number of very sensitive issues. I would not hope to cover the subject in all its aspects, but I would like to make a number of observations in a very general way.

Although there is some difference in definition and perception, Mr. Speaker, palliative care is synonymous with hospice care. Both terms are very synonymous in terms of the very special person, Dr. Cicely Saunders of London, England, for it was she who gave the concept of caring for the terminally ill its start. Cicely Saunders was a nurse at St. Thomas hospital in London and was invalidated during the war. She later studied at Oxford University and graduated as a medical social worker. Because of her deep personal interest in the care of patients with terminal malignant diseases, she began training as a physician at St. Joseph's hospital in London.

She was later credited with founding St. Christopher's hospice in Sydenham, England. I believe that humanity owes a debt of gratitude to Dr. Cicely Saunders.

There are a number of other names associated at the international level with palliative care, such as Dr. Balfour Mount and Dr. Earl Grollman, the noted authority on coping with the death of loved ones. Closer to home, I am grateful for the advice and education accorded me on the subject of palliative care by such people as Dr. Helen Hayes, Dr. David Skelton, and Dr. Malcolm McPhee. Certainly, my tenure as chairman of the policy advisory committee on hospitals and medical care was an education in itself. I thank all its members, as I do my hon. colleague the Member for St. Albert, who was my vice-chairman. I am grateful to the hon. Minister of Hospitals and Medical Care and the Premier for allowing me to experience one of the most rewarding activities in my role as a member of this Assembly.

While I'm at it, Mr. Speaker — and I think it is appropriate that I do it as a member of this House — I want to express my thanks and appreciation to all those Albertans who cared enough that they brought forward some very significant representations in support of a palliative care program, in particular to Mrs. Edna McHutchion and Mrs. Kathleen Teape of the St. Thomas support group from my own constituency of Edmonton Sherwood Park, and to Dr. Neil MacDonald of the Cross Cancer Institute.

What is palliative care and the hospice concept? This may come as a surprise to you, Mr. Speaker, but until approximately four years ago I had never even heard of the terms, let alone knew what they meant. It isn't that I am ignorant of death and dying. I have seen it, both the violent, the accidental, and those that occurred as a result of terminal illness and natural causes. I think I've handled each in its own way. Perhaps my personal reactions reflect to a degree what is happening in our society today.

Three observations come to mind, Mr. Speaker. First, we as individuals don't know very much about death and dying, nor do we really know how to handle it. Secondly, we reject death and dying because it is negative and it always happens to someone else. Thirdly, we don't even bother to talk about it. But dying is just as much a part of living as is birth, the difference being the manner in which we treat each one. Someone once said: when there is a birth, there is rejoicing; when there is a marriage, there is celebrating; and when there is a death, there is silence.

What is palliative care, Mr. Speaker? I'm sure that hon. members speaking to this motion will have a number of definitions, all of which will be relevant. I saw palliative care as a comprehensive program that meets the needs of both the patient suffering terminal illness and that patient's family. I have since added to that the needs of the medical staff and the community. It is these two particular areas that I wish to address briefly. There are other members here who I think can express in much better words those other concerns related to terminal care, concerns which I have a very strong feeling for.

Mr. Speaker, I've talked to a great number of doctors, nurses, and other medical professionals, including social workers, on their perceptions and feelings regarding the dying and their care. I have since learned that each one had a slightly different approach, but in the majority of cases I got the feeling that it was not a subject they really wished to discuss. It isn't that they don't care. I have yet to meet or hear of a doctor or nurse who didn't care. But this reaction is a natural one, for doctors and nurses are trained to care for the living. They are trained in a

framework of curative medicine, not terminal care. Therefore if we talk about a palliative care program, we are at the same time required to look at training programs for medical staff. I am not talking about special doctors or nurses; I am talking about doctors and nurses with special qualities. They are key to the medical side of the palliative care concept, just as volunteers are key to the community side of the program.

In terms of the community-based side of palliative or hospice care, Mr. Speaker, we have a wealth of resources to draw upon, some of which are already in place. As an example, in my community of Sherwood Park there's the St. Thomas support group, which I mentioned earlier. I have a number of very dedicated members of the nursing profession, some of whom are or have been involved in some very significant palliative care programs, not only here in Canada and the United States but also in England. There are two others: the pastoral association, comprising some very dedicated and compassionate members of the ministries of various religious denominations, and those individuals and families which have experienced the loss of loved ones. For individuals and groups such as this, helping a patient to die is seen as a creative, not a negative, experience.

There are just three other observations that I wish to make, Mr. Speaker. First, palliative or hospice care is not unique in terms of family involvement, nor do I think that is the impression I'm trying to leave. I simply say that as family units, we experience many things together; why not the experience of dying?

Secondly, I do not think that every hospital should have or need a palliative care unit. An official of the American Hospital Association put it this way: I think we are finding that hospice care is not necessarily antithetical to the hospital environment, but I think it's important to point out that hospice care is not for every hospital and each hospital needs to examine its mission to see if hospice care is compatible.

Thirdly, Mr. Speaker, our society is made up of a wide diversity of peoples, from different cultural and religious backgrounds. Each have their own way of handling the process of death and dying. Notwithstanding the formalities or ceremonials — if I can use those terms — reserved for such occasions, I think we are all bound by common ties in terms of care, loss, and bereavement. It is at this point that the concept of terminal care transcends all boundaries.

Finally, I would like to conclude on this note. Governments are, at times, noted not so much for what they do as for what they don't do. I believe that we as a government have done a number of noteworthy things. Certainly for myself, at least, the most noteworthy accomplishment of all of these would have to be the establishment of the Alberta Heritage Foundation for Medical Research. In all that it does, this foundation, in all respect, is dedicated to life. But I think it can also play another important role in terms of the last act in life, that of terminal care. There is still a great deal of learning to be done in this sensitive area. I would like to suggest that the foundation consider funding the General hospital program of palliative care and, through its grants program, enable a number of doctors and nurses to train and do research in this area — a teaching and palliative care unit, if you will.

Mr. Speaker, we have another opportunity to become a centre of excellence in working towards a program that will meet the very special needs of Albertans. I urge all

hon. members to support this motion on behalf of their constituents and the people of Alberta.

MRS. EMBURY: Mr. Speaker, I'm very pleased to speak to Motion 213 today. I would like to congratulate the Member for Edmonton Sherwood Park for his initiative in bringing this resolution before the Assembly. Just to reiterate the motion, it urges

... the government to consider the establishment of a palliative care program in the province as an integral part of the Alberta hospital program.

I don't believe there would be much opposition to the concept of palliative care. It is a very important area, especially in view of cancer statistics and the toll it takes on its victims. According to Statistics Canada, in 1981 there were 2,753 deaths from cancer in Alberta. While palliative care does not refer specifically to cancer patients, in many instances they are potential recipients of palliative care to ease its distressing multi-symptoms.

I would like to speak briefly today about the overall concept of the word "hospice", nursing responsibilities, and the Hospice Calgary program. Over the past 75 years, attitudes and behavior towards care for the terminally ill have changed. This change has had an effect on both the quality of life for dying people and the health care system. At the turn of the century, most Canadians died in their homes, surrounded by family and friends. Today over 70 per cent die in institutions. Sometimes the care of terminally ill patients in hospitals is questioned as to its appropriateness or adequacy. The health care system is oriented toward curing the patient, and sometimes professional and technical staff find it difficult to accept death as a natural part of life that affects all individuals.

Palliative care may be a relatively new concept. However, the term "hospice" goes back to 1815, when Mother Mary Aikenhead founded the Order of Irish Sisters of Charity in Dublin. She perceived death as the beginning of a long journey, so she called her home a hospice, or resting place, which offered succor to travellers on their pilgrimage to the Holy Land. So the concept of palliative care, or hospice, refers to programs and services that give care to patients where treatment is no longer appropriate and where improving the quality of life for that patient is the primary goal. Therapeutic services are designed to help the physical, social, psychological, and spiritual needs of dying patients and their families.

Palliative care services take place not only in hospitals but in all community settings, and are not intended for all persons who are terminally ill. They are for those patients with distressing multi-symptoms who need the expertise of a multi-collective team to help with symptom management. The goal of palliative care programs is the management and control of severe symptoms, including pain and social, psychological, and spiritual stress for the patient and family. They are assisted in the preparation for death.

There is no right way to care for the terminally ill. Each community and setting has unique needs that must be recognized. I believe that statement is particularly relevant in view of the motion we are debating this afternoon. As has been known for many, many years, nurses have more contact with the dying patient and family than any other health care worker. One might ask why we need a special program. Ideally, to my mind, the needs of terminally ill patients could be met by nurses in hospitals or in the community setting. The nursing code of ethics in Canada states:

Caring acknowledges the reality of death in the life

of every person and demands that appropriate support be provided for the dying person and family to enable them to prepare for and to cope with death when it is inevitable.

The Member for Edmonton Sherwood Park spoke extensively about members of his constituency who are involved in the nursing profession, and how well they care for patients. So one question we might raise is: why can't this program be handled specifically by nurses in either of the settings? First of all, I think we have to recognize that each individual has to be in touch with her own feelings regarding perceptions of death. This is very difficult for most of us at any time in our lives, particularly if we are young and in touch with health concepts or with people that are healthy. So it behooves nurses to use a variety of resource people to help them look at their own feelings regarding death and dying.

Another facet is to keep up to date on the amount of new knowledge on the subject of death and dying, particularly in regard to the terminally ill. There has been a lot of knowledge over the last few years. The name of Dr. Kubler-Ross particularly has been very famous, and there are now others. Dr. Kubler-Ross has given a lot of information to people and helped them identify their own feelings regarding death and dying.

Another area of concern for health professionals, particularly nurses, is to see that people have continuity of care. This is extremely important when they are admitted to hospital, undergo treatment, possibly are able to return home for a while, and then may be back in the hospital. This process is repeated quite frequently. Another concern for nurses is the type of treatment available today due to our technology. Interestingly enough, it isn't that many years ago that "cancer" was a dreaded word to all people in a community and, of course, was almost synonymous with death. Today we know that this concept has changed due to technology and treatment, which have cured a lot of types of cancer and certainly provided comfort and a much longer life for many people. Another skill needed by nurses and other health professionals — and sometimes it's very difficult to deal with — is one of basic communication; that is, listening, not only to patients and how they feel about the process they are undergoing but also to members of the family and how they are coping day by day with the realities of the problems and concerns that arise when someone in their family suffers from cancer.

There are a number of models of palliative care used in the consideration of establishing palliative care programs and, as I mentioned once before, there is no right program for any community. Each of the models has been tried in various parts of the world and has been proven successful. One of the models is a consultative team. It is multi-disciplined and functions in a consulting capacity to primary care givers — the physicians and nurses in the hospital. Primary care givers ask for the team's assistance in any aspect of care for the terminally ill patient or his family. The team can provide direct care or act in a planning, co-ordinating role, and also provide emotional support for the primary care givers.

There are some basic characteristics, however, that cross over any of the models of palliative care. Some of these are that it must be an ongoing program available 24 hours a day, seven days a week. It is extremely important to see that bereavement follow-up is extended to the family. As mentioned before, care is basically provided by an interdisciplinary team. Also, a mechanism for staff support must be built into this program. Another com-

ponent that's very important, as mentioned by the Member for Edmonton Sherwood Park, is research and evaluation facilities.

In Calgary we're very fortunate to have a program of the model I mentioned, a consultative team. At the present time this team is located at the Tom Baker Cancer Centre. As members of the Legislature will recall, the Tom Baker Cancer Centre has been totally funded by the Alberta Heritage Savings Trust Fund. The team of people known as Hospice Calgary are a staff of three professionals and one secretary. Hon. members will be interested to know that Hospice Calgary has the first area-wide approach to palliative care in Canada. No other Canadian city has city-wide co-ordination. Further, Hospice Calgary provides outreach for the rest of the province.

This program began in 1978 when Dr. Peter Geggie, of the Tom Baker Cancer Centre, set up a committee composed of a number of physicians interested in palliative care. The committee's interest took on a more tangible form when a sizable donation was made by Mr. Kahanoff, a cancer patient. He specified that a portion of this money was to be dedicated to palliative care at the Tom Baker Cancer Centre. Because of this Kahanoff donation and the interest of the committee, Hospice Calgary was founded. An agreement was drawn up in 1980 whereby the Alberta Cancer Board would administer the funds of the Kahanoff foundation and provide space to Hospice Calgary in the Tom Baker Cancer Centre. Hospice Calgary, then, is almost totally funded by this private foundation.

The Tom Baker Cancer Centre and the Alberta Cancer Board have been very supportive of their palliative care education package. The staff of Hospice Calgary are Dr. Lamers, Mrs. Elva Mertick, and Ms Shanda Albert. Their major role is consultation and education on palliative care in the Calgary area. They strive to bring together the home care and the palliative care teaching program. They recognize there is a serious need for a viable hospice program.

These three professionals are experts in their field and help draw up palliative care policies. They do education on palliative care, the principles of hospice care, pain management, emotional and physical assessment and follow-up. Dr. Lamers, head of Hospice Calgary, provides consultation and education on pain control, psychological problems, support for families and care givers, and bereavement support, and helps people make adjustments to new life styles and economic realities. Mrs. Mertick does a bereavement volunteer training course and directs bereavement counselling and education in the community. Ms Albert, in co-operation with the Tom Baker Cancer Centre nursing department, teaches nurses about palliative care principles. They are an excellent resource team.

This team approach, Hospice Calgary, is relatively unknown to many Albertans. While that may be a sad statement to make, fortunately it is not too bad a concept, because they would not be able to handle the workload in Alberta. Indeed, they hold regular meetings with individuals interested in palliative care from all hospitals and home care in Calgary. They are co-ordinated, not an official group, and part of a team in hospitals and home care who deal in palliative care. There is a great deal of specific interest among physicians, nurses, and technical staff in Calgary, who want consistency in this type of program.

As one of the major providers of palliative care, the

home care program in Calgary works through volunteers and nurses. Besides using the referral and consultative advice of Hospice Calgary, they also use many of the services and facilities of the Tom Baker Cancer Centre. Home care, operated under the capable direction of Mrs. Dawn Wigmore, has been very active over the past three years.

One of the major considerations in setting up a palliative care program for the province is how it will be funded. No doubt, certain aspects of this program should be funded by the Department of Hospitals and Medical Care. However, one has to consider the input from the home care program, which is under the Minister of Social Services and Community Health. I think there has to be careful consideration as to how and where funding should be obtained for this program. We want to avoid any complexities and needless bureaucracy or overlap in services to these people. If the government does decide to go ahead with a palliative care program, I would certainly urge whichever department it comes under to contact Hospice Calgary and make full use of the accumulated expertise these professionals have developed.

In conclusion, Mr. Speaker, I'm keenly supportive of Motion 213. A palliative care program will help to firm up support for patients and families who are not receiving the full benefit of palliative care in Alberta today. It will bring this assistance to the people of Alberta. Hopefully all members of the Assembly will give consideration to this motion.

MR. THOMPSON: Mr. Speaker, I would like to say a few words on Motion 213. The Member for Edmonton Sherwood Park invited us to give our definition of "palliative care". I feel that a palliative care program should emphasize a relaxed and informal setting where both the patient and the family are able to adjust to death.

You notice, Mr. Speaker, that I said "death". We have so many euphemisms for death — terminal illness, passing on, going to your reward — but basically they all end up meaning death. We have a kind of psychic block when it comes to death. Any lawyer in this building knows that people really don't want to make a will. They put it off. They know they should do it, yet that's one of the last things they do, and it causes a lot of trouble. So we do have a psychic block on death.

As far as the public is concerned, I suppose it isn't what you would call a plank for a political party in an election, but still I think it is a very desirable thing for us to look at. I'll tell you why. Like the Member for Calgary North West said, most death today is institutionalized. We have people dying in hospitals — she said 70 per cent — auxiliary hospitals, nursing homes, and lodges. A few die at home. Then, of course, there are people who die in accidents on roads and in other places. So there is a place in our institutions where we could put a program that would allow terminally ill people and their families to have a certain time to adjust to what's inevitably going to happen. I think it would be good for the patient. I think it's good for the family, especially the family that is left. Because under today's circumstances, they are in the hospital and, as the Member for Edmonton Sherwood Park said, hospitals are geared to curing illness. The terminally ill are in a setting where they are not looked after the way they should be.

I would like to talk about another facet of dying. I feel that society is going to have to make two major decisions: one is when life begins, and one is when life ends. Fifty years ago, Mr. Speaker, medical science did everything

they could and people died. Everybody felt that it was their time to go. But today, with strides that have been made in medical science and techniques, a new thing has emerged. We have seen new drugs on the market. We have seen new life-support systems put in place. It will get more technical to the point that they will keep people alive as long as the heart will beat. We've had a couple of examples of this. Barney Clark down in Utah: even when he had a bad heart, they put an artificial heart in and kept him alive for three or four months. This last year we had a young mentally and physically retarded boy in Vancouver. His parents wished him to die a natural death. The government stepped in and there was a court case. We put the judge in a very awkward position to take it to that point. So I honestly think, Mr. Speaker, it is a question that society as a whole is going to have to take a real look at in the future, because it's not going to go away, and we are going to have more and more of these things happening.

We even see today — and I have no idea about it — that there are people in institutions who actually, either actively or passively, help people die. They don't do it because they have any particular interest in seeing these people die. I wouldn't say they do it to put them out of their misery, but it is very hard for these people to watch people lie in comas for years and years with no hope of recovery. Yet there is no one who can say to these people, enough is enough. I really think that of all the things we are talking about today, Mr. Speaker, this is something we should really — when we're talking about the decision to die, there are three areas you have to talk about. There's medical input, moral input and, of course, legal input. Every one of those has to be involved in this thing. I think it's unfair to leave it in the medical profession's hands to say, we should work to keep this person alive or we should let him die.

There are many people who for many reasons, from a religious point of view, feel they should be allowed to die. One group doesn't allow blood transfusions; it's against their religion. So I honestly believe that to some degree there's a moral question here. Of course most important of all is the legal thing, because society must live by law. So those three areas have to be considered when you talk about this decision of allowing people to die a natural death.

In conclusion, I would like to say that the right to die in a peaceful and dignified manner is more important to me than the place where you die. Thank you for your attention, Mr. Speaker.

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

HON. MEMBERS: Agreed.

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

MR. STROMBERG: Mr. Speaker, this afternoon we have a group of senior citizens from the Camrose area, stretching from the city of Camrose to Bittern Lake and to Gwynne. They are seated in the public gallery. They are touring our Legislature for the better part of the afternoon. I've had the opportunity to be with them for a small portion of the afternoon. I ask our pioneers to now stand and be recognized by the Assembly.

head: **MOTIONS OTHER THAN
GOVERNMENT MOTIONS**

(*continued*)

MRS. FYFE: Mr. Speaker, I would also like to commend the Member for Edmonton Sherwood Park for bringing forward Motion 213, which is a very timely topic for discussion as it is currently receiving a good deal of attention. Palliative care is a relatively new term, or new concept, as the Member for Edmonton Sherwood Park said. But as we know, dying is not new; dying is part of life.

Certainly the way our attitudes have approached dying or death has changed dramatically during the last century. As previous speakers have said, with the development of technology, society has accepted that we can control a good portion of our environment. We have been able to eradicate diseases that previously were commonplace. Two generations ago, it was not uncommon that entire families were wiped out with a disease. My grandfather died at the age of 33 after having seen eight of his brothers and sisters die of consumption, what we term today as tuberculosis. This was not uncommon. Entire families or the majority of the members of a family died of the disease, as there was no control over it. I think every family and everyone in this Legislature has histories of disease and suffering that made death a much more real part of life and of living.

As modern medical research developed — insulin, penicillin, Salk vaccine, and a host of other drugs and treatments — our society changed its perspective on death. It was no longer commonplace to see children die of summer dysentery, to see more infants die than live. Previously, dying patients or terminally ill people tended to die at home, as there weren't facilities for them to die elsewhere. But within recent decades, dying patients went to hospitals. They went to an artificial setting. This has often been described as cold and impersonal, having rigid rules and schedules.

The Member for Calgary North West mentioned the writings of Dr. Elisabeth Kubler-Ross, who wrote the book *Death and Dying*. She wrote of the stages the terminally ill patient goes through: rejection, questioning, anger, acceptance, and final detachment from surroundings. While in my opinion Dr. Kubler-Ross developed some rather extreme ideas later on, I believe that her research and writing contributed to the mushrooming concern for dying, and probably a new acceptance of our own mortality in this world.

What makes a palliative care program different from any other type of hospital care or treatment? The concept brings together the community, the family, the hospital, and the medical team. A palliative care program, or a hospice, is not just bricks and stones. In fact I personally do not favor a building that would be designed strictly for dying. I think this has connotations which would not have positive benefits within our society. It's not the building; it's the program that goes on within a structure.

In 1980 I had the opportunity to attend the third international seminar on terminal care. A wide variety of programs was represented through many health professionals and other interested persons who attended this conference. In North America and on other continents, there is certainly a wide variation of programs. There are hospital based programs, clinic based programs, and programs that are primarily home care.

One very interesting paper was presented by a public health nurse from the state of Minnesota. It was a

program designed for terminally ill children. Something like 200 children, if I remember correctly, were registered in the program at any one time. It covered an area up to 200 miles. I think this model had some very interesting lessons for a province such as Alberta, as Minnesota is not that different from Alberta in the population spread of the residents. It has a lot of rural developments, communities that are not within close proximity to a large urban hospital or an area in which a palliative care program might exist. This program for terminally ill children primarily used the health care nurses, who are resident throughout the region, and the telephone for contact, so that if there was a crisis with the child at any time, day or night, the parents could contact the health care nurse who could provide assistance. If further medical back-up or resources were required, the team person, the health care nurse, could then contact those professionals, who would provide advice over the telephone or refer the patient to a medical care facility. That was only one paper that I found extremely interesting.

I attended workshops on home care, and I had a wide variety of questions in my mind when I went into the workshops: the type of people, the type of training, the kind of hours, how you pay employees for working on a 24-hour basis — practical questions that have to be examined and reviewed in any type of palliative care program that is different from a normal health care model.

For those who are interested in finding out more about a hospital model, an excellent film entitled *The Last Days of Living* was produced by the National Film Board of Canada. The committee the Member for Edmonton Sherwood Park referred to, the policy advisory committee, reviewed this film, which takes the last days of a number of case patients who kindly co-operated and shared one of the most intimate of all experiences we have in life, that of dying. It reviews the case histories of each of these individuals, together with getting to know the patients and their families, and takes us to the follow-up, the bereavement process. The film describes a program based on the British hospice concept. It allows the viewer to get to know some of the participants in the program; Dr. Balfour Mount, as mentioned by the Member for Edmonton Sherwood Park, and the team he has assembled.

I think one of the greatest benefits of this type of program is the team approach. It's not simply going to your family doctor, who is probably very sympathetic and often a friend of the family. It's not relying on just one person; it's not going into an institution and relying on people who come and go. It's a team that actually forms to provide support for the individual and the family. A number of times each week, that team sits down and discusses the symptoms of the particular patient. Is the patient in need of some additional psychological support? Is the patient depressed in any way? Is there a way that the team can call in other resources, such as the clergy or other members of the community who could assist? One technique that has proven to be very interesting is music therapy. It's often said that music soothes the savage beast. Well, music can be used in a variety of ways, and one that has been extremely successful is music therapy with the terminally ill.

The characteristics of this concept, which is hospital based but has a team of health professionals that work with the patient when that patient is home — if one could give a definition, as the Member for Edmonton Sherwood Park asked us to, in my mind the key word is

"flexibility". The program is geared to suit each individual person, and not the person having to adjust to the structure and rigors of a hospital routine. The program is flexible, so that the team doing the assessment, working with the family and making the family and the patient feel very much part of the treatment and of the program, becomes paramount.

I mentioned previously in this Assembly the experience of visiting the Mayo Clinic in Minnesota. One of the things that impressed me so greatly was that team approach; not just getting the opinion of one health professional or being referred to another and getting a second opinion, but getting one opinion from a group of people, a team of people, that have put their heads together and analyzed all the information available to them in coming forward with advice and a program for treatment.

The primary concerns of a hospice or a palliative care program are the physical care of the patient and symptom control. Once these ends are accomplished, psychological, social, spiritual, and other issues are accepted as very important aspects of the program. In fact the care of the total patient is paramount to the program. The patient and the family are treated together, not simply the patient alone, and this is an extremely important aspect of team care. One of the most dramatic differences I saw in treatment in the Mayo Clinic, compared to facilities I experienced in this province, was the way the professionals brought the family into the team approach. We were part of the discussions, even though medical terms used were not always understood by us. We were part of the decisions. We were not simply told what was going to happen; we were an integral part, or at least felt we were an integral part, of the treatment and the program.

Hospice care uses this same concept of involving the families, of involving the patients. When you think of the variety of patients — I think the film *The Last Days of Living* does this well. Death doesn't come to just the elderly, as we often think. It's the young people. There's a very young adult. There's a young mother with young children. There's a geriatric patient. There's a single person who has no family support. There is a variety of patients with a variety of different problems they have to deal with, in addition to the fact that they have one thing in common: they are all experiencing the last days of living and will soon be going through the same experience of dying.

One aspect of the program is the total relaxation of institutional regulations concerning visitors. Visitors can come 24 hours a day. They can bring the children; sometimes they can bring pets. Maybe they can bring a comfortable chair that was their chair at home. There were special adaptations of chairs, such as putting wheels on a comfortable chair that could be pushed from the hospital room to a visiting room or other parts of the hospital. This interaction between patients is an extremely important part of the treatment. They provide each other with support. It's often been found that it's best to have more than one patient in a room, so that when one does die, there is not the grieving between patients; there are others to share the experience of loss — the friendships built up within these programs.

Length of life is no longer the critical concern or objective of the hospice program. The objective is to focus on the dying and the quality of what life remains. I'm sure most of us have had experiences with dying, with people whose last days, after they knew they had a terminal illness, were extremely happy days. They experienced aspects of life they never stopped to think

about, to enjoy. Extremely meaningful relationships have developed between family members and between a person and their friends during those remaining days of life. This is why it's so important in my mind that the hospice concept of the palliative care programs not stop with a program that can be funded through a hospital, but that it become a much more realistic part of our everyday life. I think there's a tendency within our society to run away, to be fearful of the person who's dying; not knowing what to say. I'm sure we've all had the experience of knowing that "I'm sorry" or any other words we can say are not adequate. So there is a tendency to turn our backs on it. Yet often the thing the person going through this process needs most desperately beyond medical attention is the care and love of their friends and families. This outreach program assists exactly that kind of development.

When we discuss the costs and the implications of costs in this program, it's important that we consider that the cost of the hospice is not just the time the patient is within the hospital unit — there is a very intensive nursing component to hospice care — but there are times when the patient may be able to spend longer times at home because the family is no longer fearful of what might happen. Often in death and dying there is the fear of a setback, a deterioration, an anxiety crisis that would happen in the middle of the night. It's important that the families have access to professionals who can assure them that this is natural, that they are not left alone at night. There is still a team available to them; they have access to medical entry if it's required on very short notice. These are all part of giving confidence and developing an understanding of the process the person is going through for the family that is there to provide support.

The key in flexibility becomes the fact that the person will not necessarily have to die in an institution. It's then possible to take a realistic look at life and death. If the person and the family are able to cope, or the support systems are there, the person may have the option to die at home. This is not the option some people choose. They would much prefer to be in an institution where others take care of them in ways their own families are not capable of. There are not the same emotions, and they would prefer it. For others, the option to be at home and have the family around them is preferable. So this is the flexibility of the program that provides that kind of support, whether it's in an institution or in the home.

The motion today asks that we support

... the establishment of a palliative care program in the province as an integral part of the Alberta hospital program.

I support the motion. Undoubtedly by the words I've given this afternoon, I've done some reading in an area of particular interest to me. I think we first have to establish a basic policy. Without the policy, we will not have a program. I realize there has been a significant amount of work done in Calgary. A significant amount of work has also been done in the Edmonton area. There is also a group in the Edmonton area similar to that in Calgary, made up of representatives of all the major hospitals within this area and the government of Alberta. In establishing a policy, it's important that we look first at the types of programs that would apply across this province. As I said previously, there are models that are very useful to examine, so that service and support could be available to the person in Peace River, St. Paul, Edmonton, Calgary, or wherever they reside in the province of Alberta.

After the policy is adopted, we have to look at the types of programs that will best serve the residents of our

province. There have been some initiatives in Edmonton and Calgary regarding specific programs. But whether those are the best for the regions they serve will have to be judged in the long term. After a policy is established, it may be worth while looking at the establishment of pilot projects in both those areas which would also serve as training grounds for health professionals. In the research I have done, I believe the training of health professionals is one aspect of palliative care that is so dearly lacking. If the rest of us are frightened of death and dying, health professionals often are no different. The Member for Calgary North West spoke about this aspect of coming to terms with our own mortality, and this is so important in the training of health professionals — also to give them experiences they don't have, so it's not just the patient down the hall, the one that's dying, or the one we tend to be frightened of or steer clear of.

In general terms, Mr. Speaker, I strongly support the motion. I think we must move on a policy. After the policy is established, we must look at the possibility of pilot projects that could best adapt to the different regions within our province and consider palliative care as a priority as we look at our budgetary process during the next year, and that this program receive very serious consideration.

Thank you.

DR. CARTER: Mr. Speaker, I am pleased to stand and debate with regard to Motion 213. I know a considerable number of my colleagues in the House bring to the consideration of this motion their own vast experience with respect to death and dying, in particular not only the Member for Calgary North West but also the Member for Edson and the Member for Calgary North Hill.

Other speakers in the debate have pointed out various aspects of the motion and have given some very good comments with respect to the whole issue. Obviously what we have here are caring professions, but in the midst of any profession we have individuals who must be caring persons. Just because one happens to be a nurse, a medical doctor, or a clergyman doesn't necessarily mean they're all that good to be involved in this type of ministry — if I might use the right word — with respect to those who are dying.

Very briefly, the models mentioned have been free-standing hospices. In view of my 25 years of experience in the ministry, I believe that a separate hospice building is not really something to have. Far better to have, as the motion points out, palliative care units within our hospitals, because that makes for a better *in situ* situation with respect to the person not feeling set apart as they go on this last part of their journey of life.

Obviously it's true that a multi-disciplinary team should be involved. But all too often I find that some members of the medical profession and some directors of hospitals have presumed to think that clergy — no matter what their denomination or religious affiliation — are not part of that multi-disciplinary team. That is a serious lack with respect to the discussions involved in setting up such units, as well as with respect to the kind of ministry for the dying patient that takes place. Granted, tremendous numbers of people who live and die, do so without having a firm attachment to a religious denomination, and that is their choice. Nevertheless, there are still other people who oftentimes turn not only to their medical support staff but also to their clergy as well. Most clergy that I know are willing to deal in terms of this area and not simply with people who happen to have a particular denomina-

tional label, because all too often the denominational label really doesn't matter.

Of course the other model of palliative care is home care. As has been pointed out by previous speakers, we have come to a day and generation when most people die in a hospital situation. But it is becoming more and more apparent that families are willing to take that extra gift of love, to give it to the person in the family who is dying, and to go through all the difficulties of having the person die at home. There is no doubt that it brings tremendous pressures upon the total family unit. But in my experience, where the person has been allowed to die at home, in most cases the person dies with a greater degree of self-worth and self-dignity.

Within the Anglican prayer book there is a service called the litany, which we have borrowed from other religious denominations. One phrase in there comes to me in the context of Motion 213: From sudden death, good Lord, deliver us. For the purposes of our discussion on the motion today, we have probably tended to think that we're all going to have sufficient warning before we die. As we know, that is usually not the case.

I remember my own experience a number of Easters ago when we were travelling No. 1 Highway towards Medicine Hat. There was a very serious head-on collision. My wife and I, together with the Mounted Police, spent a fair amount of time with the people in one of the cars, trying to remove them from the car. That day one person died in the arms of my wife, but at least she was being held as she died. I think that is one of the basic things in this discussion: that you and I must not be afraid to touch and hold the dying person, whether it is in their last moments or in the approach to the last moments, because that's one of the vital things. If you and I are afraid to touch, that communicates another message to the person who is dying. More often than not, the touching is far better than any kind of fatuous words you might be able to inject into the situation. Just reach out and touch.

My own experience goes back this way. Almost 30 years ago in Medicine Hat I ended up working for an undertaker, and he also had an ambulance. That was the most serious conflict-of-interest situation I've ever been in, in my life. But it was a very interesting year as an 18-year-old to come face to face with the whole matter of dying and what happens after death, as well as what happens in the ambulance on the way to hospitals.

Again, 23 years ago, when I was a newly ordained clergyman in Winnipeg, I remember being called in the middle of the night to the first person I was to minister to, and the person was dying. It was in the Misericordia hospital in the middle of the night, and all the medical staff had given up and walked away. I admit to you, my colleagues, that I was scared spitless. While I went through the matter of reading the ritual as prescribed by theological college, I felt totally inadequate and unprepared. So I believe that to the person who died that night, I was probably more of a hindrance than a help.

Within the space of six months, another person died in Deer Lodge hospital in Winnipeg, and his name was Paul De Gagné. He taught me about death and dying. He couldn't speak or write, but he could communicate via his eyes. In the number of visits I had with him in the months preceding his death, he taught me what I mentioned to you earlier: that the best thing is to be there, and the second is to reach out and touch, because it was through holding his hand that he could then communicate back to me. In the end he taught me how to live, but he also taught me how to die and how to minister to the dying.

Another thing I would point out is that if you're ever in a situation where a death has occurred and you're there at the time or immediately thereafter, I hope the people in your family and your friends will have enough sense to walk outside the room before making negative comments about the person who has just died. It's very difficult — and people in the medical profession attest to this — to ascertain exactly when death does take place. In my own experience, all too often I've come across people who have said some pretty stupid and hurtful things when they thought the person was dead, and it became quite apparent that the person was not dead.

The whole matter is to reach out to people. As has been pointed out by other persons, it's a matter of reaching out in ministry to the staff in a hospital as well. That's involved in palliative care. There is a tremendous drain upon personnel and upon the medical doctor with respect to the number of people they see dying and the conflict within themselves, knowing that they can't help them all, they can't help cure them, and they can't help ease them into an acceptable death. Of course the same pressure is there on not only the nursing profession but even on the people who go into the room to clean it up, because there's tremendous pressure on people in that dying situation.

Mr. Speaker, I realize that I'm bringing a very personal dimension with respect to Motion 213. I would add just a couple more comments in this line. In my ministry, my reaching out to deal with people who are dying, I mentioned that I have been taught by dying persons themselves. I have also been taught by Dr. Kubler-Ross, who was mentioned by the Member for Calgary North West. My wife and I spent a fair amount of time with Dr. Kubler-Ross. We had to face the aspects of a potential death in our family on a number of occasions. But above all, I have to admit that the best teacher is my father, who has been ordained for 54 years as an Anglican clergyman. As a child, I realized that he was never at home because he spent most nights in the hospital in Medicine Hat or in Regina being with people as they died, and their denominational label didn't matter.

The basics are these. Be there. The next basic is to listen to what the person has to say. Listen to what they are saying and not what your own interpretation of it is. As mentioned before, reach out and touch them, hold them. As they are dying, as they are giving up the last precious gift of life, they want to know that they are still accepted by someone even in that moment.

If I might be so bold, Mr. Speaker, before I adjourn debate, I would like to read a poem I wrote four years ago after the death of a medical doctor who died of cancer at age 41.

I held him as he died.
Cancer robbed his frame and life
with unrelenting intensity.

I held him after death.
After his body was cremated
I cradled urn between arm and heart.

I held his ashes in my hand
and filtered them through fingers
onto mountain grass and river.

Mr. Speaker, I commend the mover of the motion for bringing it to the attention of the House. I give heartfelt thanks to many people throughout this province who do

engage in hands-on nursing care in ministry to the dying.
Thank you.

MR. HIEBERT: Mr. Speaker, in light of the time, I beg leave to adjourn debate.

MR. SPEAKER: I'm just not sure — there was some indication in the concluding remarks of the previous speaker that he might be adjourning debate. But if he has finished, then the motion is in order.

Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, I move that when the members reassemble this evening, they do so in Committee of Supply, and that the Assembly stand adjourned until such time as the Committee of Supply rises and reports.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

[The House recessed at 5:30 p.m.]

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

head: **COMMITTEE OF SUPPLY**
(continued)

[Mr. Appleby in the Chair]

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

Department of Treasury

MR. CHAIRMAN: Would the hon. Provincial Treasurer wish to make any comments?

MR. HYNDMAN: Mr. Chairman, May 24, 1983, is an appropriate occasion on which to say a few words about the Treasury estimates. Sixteen years ago, this was the day which saw a very interesting election result in which five of my "colleagues and I had the opportunity to set foot in this Chamber. Being somewhat of a nostalgia buff — and realizing that some latitude is allowed to ministers in their estimates — I had thought of speaking one hour for each of those 16 years on the topic "Treasury estimates I have known", but I detected a significant lack of interest on the part of my colleagues in such a verbal marathon. Also, I thought I might incite the colleague immediately to my left and five to my right, who was also there 16 years ago, to equal-length speeches. So I'll leave that to another occasion, confine my remarks to a brief overview of the Department of Treasury, and then answer questions that might be posed.

As a helpful, brief outline of the department's activities, I refer hon. members to page 365 of the estimates book, where there is a one-sentence outline of what Treasury is all about. In the area of revenue and expenditure, collection has been an area where Treasury provides a service for many departments. The collections are carried out in

a businesslike way, on a case-by-case basis, yet at the same time realizing in the case of remissions that allowances must be made in certain human situations.

The management of revenue and expenditure is a major ongoing responsibility. I think controls of both revenue and expenditure are carried forward in a balanced yet rigorous way. I believe that we probably set the standard for Canada in terms of control of our finances. In that regard, the annual recommendations of the Auditor General are of very special importance. Financial reporting of revenue expenditure is very comprehensive in this province. It continues to be set forth in a large number of documents, starting with the public accounts.

The area of borrowing, also noted on page 365, is relatively new to this province, bearing in mind the last 11 years' experience. Borrowings as set forth in the budget may take place in three areas: one, with respect to the budget, the deficit which is set forth in the budget speech itself; secondly, the Municipal Financing Corporation and Alberta Government Telephones, entities which by now have both gone to the public market in Canada for their financing, and that approach will continue in future months; thirdly, the other Crown corporations formerly financed totally by the heritage fund — the Opportunity Company, the housing corporations, and the Agricultural Development Corporation — may need some borrowing as well during the year. Generally, borrowing takes the approach of being balanced, and of course the objective is to secure moneys at the lowest cost and lowest risk.

Investments is an area in which this government has developed significant expertise over the years. There are the traditional heritage fund investments. The commercial investment division was successfully launched and has a very positive record of performance over its relatively short career. Other investments include the Workers' Compensation Board funds; the \$1.1 billion Pension Fund, now considerably more than that; and other funds such as the medical research foundation and the Consolidated Cash Investment Trust Fund.

Cash management continues to be a major continuing responsibility. Of course budgeting was high priority this year. As I indicated in the budget speech, Mr. Chairman, the approach this year of living within our means is not simply a one-year budget strategy; it will continue. It will continue if we are to have a sound and prudent financial management approach.

The management of the heritage fund is one of the responsibilities of Treasury. It has been, and continues to be, a keystone to the financial affairs of this province ever since its beginnings. Starting this year, communications for the heritage fund will be under the jurisdiction and within the purview of my colleague the Hon. Bill Payne who, I'm sure, in the months and years ahead will be introducing a number of initiatives to better communicate the heritage fund to Albertans and satisfy that interest they have in matters relating to the fund, what it's doing and where it's invested.

Fiscal and economic planning is very difficult these days. We have the challenge of trying to forecast the state of the Alberta economy in the months and years ahead. The key element of forecasting, which I think all Albertans are beginning to realize, is that this province more than any other is subject to world markets, decisions taken in other parts of the world, and policies formulated in Washington, Riyadh, or Tokyo. Therefore our economy is tied very much to what happens around the world.

Revenue is an area which increasingly is taking on new and special importance. As mentioned in the budget

speech, in most other provinces 60 per cent of all budgetary revenues derive from levies and taxes. In this province, traditionally it has been only 22 per cent. Of course this year, with the increase in revenue from the tobacco tax, with the revenues and controls necessary in regard to the farm fuel distribution allowance, and with the scope in future of the corporate tax now brought home to Alberta, that area of revenue in both policies and administration takes on added significance.

Fundamental to any sound financial planning and the policies of any provincial government is a useful and sound statistical base. We have that in the Alberta Bureau of Statistics.

The area of risk management and insurance, although not often in high profile, is crucially important, especially in these times. The objective and prudent way in which the management of the risks which attach to the various provincial government assets is carried on is again under the Department of Treasury.

Both the payment and administration of pensions is a further area under this ministry. I want to say publicly that the pension boards do an effective job. We are and have been establishing closer links in policy between the boards and the Provincial Treasurer. In this regard, the recommendations of the Auditor General are particularly important. He has gone to some trouble to point out the need for maintenance of the integrity of the Pension Fund, and pointed out various options which should be explored in order to maintain that long-term integrity. They are being explored at this time.

To conclude, Mr. Chairman, no mention of the activities of this department would be complete without mentioning affiliated organizations. The Alberta Municipal Financing Corporation, with one of the smallest and least expensive administrations, last year administered a total of one half of all the borrowings by Canadian municipalities. I was surprised to learn that that figure of something over \$1 billion was approximately one half of virtually all the borrowings of all the municipalities in Canada. Other affiliated organizations are the treasury branches. I think members would agree that they provide unique services as what has become a major financial institution in this country. There are close to half a million Alberta depositors, and \$2.8 billion in deposits are in the treasury branches. It's important to note that members sometimes forget that all the moneys in the treasury branches come from the depositors. There is no government money in the treasury branches as such.

I conclude this overview, Mr. Chairman, by commending, if I may, the entire management and staff of Alberta Treasury, including the very loyal staff of my office. Their very effective and timely responses in a fast-moving financial world have made my life much easier. In my view, they're a fine example of a dedicated public service. I'm very proud to have the continuing opportunity to work with them.

With those brief remarks, Mr. Chairman, I'd be happy to welcome any questions or observations and will respond as best I can.

MR. R. SPEAKER: Mr. Chairman, first of all, I'd like to make general comments and then two comments with regard to the deficit and, secondly, a comment with regard to departmental planning and projections.

In looking at the Treasury estimates, I notice an increase of .5 per cent in terms of expenditures. In light of the situation in the province at the present time, that's certainly commendable. But in terms of the overall budg-

et, I don't think the same kinds of principles were applied by the Provincial Treasurer. I indicated earlier, under the estimates of the Premier of this province, that we are faced with a large deficit, a huge take from the Heritage Savings Trust Fund to try to balance the books, and no sign of cutting back or priorities established in government. I don't know where the budget's going, or what the Provincial Treasurer really used as a theme in facing his responsibility. That's a general comment about it.

At the same time, I notice that man-year authorizations have gone up from 866 to some 900. In what is called a hold-the-line year, why is that? Why is that kind of thing happening? If you can't do it right at home, how do you expect other departments to do it? How do you expect municipalities and school boards to stay within 5 per cent limits when you see such significant growth in your own man-year authorizations? That's a general observation to the minister, Mr. Chairman.

To me, the \$3.1 billion deficit was the most shocking thing in the budget prepared by Treasury and the Provincial Treasurer. We took half of the revenue of the Heritage Savings Trust Fund to bring that deficit down and make it look better. As I clearly indicated graphically the other evening, that deficit was uncalled for at this point in time. What it showed was a lack of budgeting in the last two or three years, a heavy drive and demand by this government to maintain power and go into the last election and spend without any priorities or without responsibility.

We've certainly elected a lot of members to that side of the House. We've put democracy in an off-balance attitude; that's what's happened. But in terms of responsible management of those funds and saying to the people of Alberta what the implications of all those promises were, this government didn't do that. Then we come back this year with a \$3.1 billion deficit. I think there should be some explanation for that. Where will that go in the future? I can see that the other 15 per cent of allocation of resource revenue that is left will have to go into general revenue next year to try to balance the budget again. I don't think the rate of expenditures of this government can be curtailed that fast, and the precedent is set. I don't know where else the revenue is going to come from.

I'd like to add more to that in my third comment, but those are the questions. Just for the next fiscal year, and not going any further in our projections, what will happen to the heritage fund? What will happen to the deficit of this government? Are there some plans in year two of the Conservative government to do something about the deficit we're going to face next year? Will there be that upturn in the economy that was promised prior to the November election? Albertans were told repeatedly by the Premier and other cabinet ministers that Alberta would lead the way in the economic upturn. If we look at the statistics, it sure isn't that way. If we look at the performance in this Legislature, there hasn't been any key thing said to show that that leadership is happening, that there is an upturn coming in our economy. I think it's incumbent upon the Provincial Treasurer to answer those kinds of things.

What will happen in the fiscal year '84-85? Will we have a larger deficit? Will the Heritage Savings Trust Fund continue to deplete so that in the following fiscal year, our only recourse will be to dig into the heritage fund to try to regain some of the loans we've made to other provinces? Those are answers that not only I should have in this House, but the hon. Member for Drayton Valley should think about them and be responsible to her

constituents.

I had the opportunity to talk to some of her constituents last week. They reminded me of some of the representation they're getting with regard to the current fiscal situation of this government. I found it very alarming. Mr. Chairman, those are things the Provincial Treasurer must answer. The other evening in this House, the Premier didn't think it was necessary to answer those kinds of questions.

What about departmental support in this government? I indicated graphically the other evening how some 30 departments of this government have increased their central support budgets anywhere from 400 to 3,000 per cent in the last eight to 10 years since the 1971 election. Why is that happening? To me, it means that we're taking decision-making away from local people. The Department of Education, the Department of Hospitals and Medical Care, and the Department of Municipal Affairs all show the same growth pattern in their central support services. What has the Provincial Treasurer done about that in examining priorities and statistics by this government? If the priority of this government is to support local governments, what is the Provincial Treasurer doing to assist local governments in areas such as that?

The second area I want to talk about is that deficit and how it's going to be faced, not only in this current fiscal year but in the upcoming fiscal year. The third point I'd like to make is with regard to projections of revenue. We were told in the Legislature after the 1981 energy agreement that potential revenue by 1986 would be some \$64 billion. That figure was put into the public arena, then withdrawn. It was unclear as to the projections. The Minister of Energy and Natural Resources and the Provincial Treasurer couldn't commit to that figure. They weren't sure.

Nowhere in those discussions we had after the 1981 agreement did anyone say there were plans to take care of this rapid downturn in the economy and in resource revenue. The government never said a thing about that. There was no contingency plan in place. It's happened; it's here. So I'd like to know from the minister the projections with regard to that resource revenue between now and 1986. What kind of statistical projections do we have with regard to that? Are the projections such that resource revenue and energy prices will stabilize and increase again slowly so that budgeting in this province becomes more controlled, let's say more responsible, in its trends? At the present time, the government isn't coming to grips with the reality of resource revenue, unless there's something we don't know. I think it's incumbent upon the minister to tell us about that. What will happen with regard to resource revenue at the present time?

There are some other areas I certainly could raise, but those are my first opening remarks, Mr. Chairman.

MR. MARTIN: Mr. Chairman, I too would like to make some general comments. Later on, I'd like to ask some specific things about pensions. I guess I should congratulate the hon. member for 16 years. I'm all the way up to six months now in terms of my career in the Legislature. But even being a rookie and as abrupt as I am, I have a few comments, if the old veteran doesn't mind.

The thing I would like to come back to — and it was in question period — has to do with pensions, the unfunded liabilities, because that frightens me even more. I know the minister says they are looking into it. I am talking specifically about comments from the Auditor General's department. Unless I misread — and I would be in-

terested if I did — that makes our economic outlook a little worse. I think the minister said that times are rough; we depended on oil, oil has gone down, and that's why we're facing a deficit. Of course the outlook for oil at this time is, at best, uneasy; we don't know what's going to happen. I don't think anybody can predict exactly what's going to happen.

As I understand it, instead of \$12 billion there is another \$5 billion that at some point along the line — I know it doesn't come due tomorrow or next year — we have to recover to pay those pensions. I blame the government. They have to take some blame for this, because they took the credit when times were good. My concern would be that without a diversified economy — and the minister admitted in his budget speech that we were dependent on the price of oil from OPEC, and I heard the Premier say that. We have to make up, I believe, another \$5.2 billion somewhere along the line, perhaps in the next 20 years. So that makes the outlook even worse, and that bothers me. I don't know what we're going to do about it. If the price of oil happens to drop more and we lose control of it, there are also the pensions to worry about besides the deficit the hon. Member for Little Bow was talking about.

So I would like him to comment, a little more than he can in question period perhaps, on how he sees us recovering that and what the Treasurer is doing about the unfunded liabilities in terms of pensions. I've had a number of calls about this, and I'm sure the minister has. It doesn't seem to have hit home to a lot of people. It seems that more and more people are concerned about it.

The other question I have — some comments from the Treasurer at this point in terms of our outlook. He admitted during his budget speech that things were dicey — those weren't the exact words — and we didn't know what was going to happen to the price of oil. Obviously if it comes back up, it's good for our revenues. It seems to be bad for the rest of the country. If you read the recent predictions, when it's good for the rest of the country, it's bad for us. I wonder if he has some more up-to-date information than the budget about the price of oil. Does it seem to be levelling off? What does the Treasurer see? I know he doesn't exactly have a crystal ball, but I'm sure he has people looking into the world oil situation and could bring us up to date on that particular matter.

Along with that, Mr. Chairman, there have been some minor changes announced since the budget. The Minister of Energy and Natural Resources mentioned, last week I believe, a \$100 million energy incentive to the oil industry that affects the budget. The Treasurer said that we may have to come back with another revised budget statement. We did have to do this last year. I would ask if he thinks his budget is basically on track or if he thinks that perhaps in June, the summer, fall, or whatever, we might have to have a revised budgetary statement.

I suggest to the Treasurer that philosophically, I do not agree with the way we are going. I think we should have diversified the economy. The Premier said many times that we should diversify it. We're caught now by the fact that we haven't. The only suggestion I would make to the Treasurer is that perhaps rather than sort of following R. B. Bennett politics or Herbert Hoover economics — that is exactly what they did before — perhaps it's time to take some ideas from the Foster report and open it up a little bit. If we're gradually going to drain the heritage trust fund anyhow — there's over \$2 billion now — perhaps we should make it a much more active vehicle to do something about diversification while there's still time.

If we are going to have, as the hon. Member for Little Bow points out, a \$3.1 billion deficit or even a \$2 billion deficit next year — we're not sure what it's going to be — perhaps before it is all gone we should use it as a tool. Because after that's gone, I don't see what else we have in this province in terms of a tool for diversification.

As the Premier and, I imagine, the Treasurer have said many times, we are basing our revenues on a non-renewable resource. If I recall, one of the reasons for setting up the heritage trust fund was to use it not only as a sock for a rainy day — which we seem to be in now, because we've taken some out — but as a tool for the future to diversify the economy. That, Mr. Chairman, with all the many things, is where this government has to be held to task. Hopefully, there's still time left to do something about it. But I have not seen anything very innovative coming in terms of diversification of the economy in a serious way.

Perhaps the Treasurer could give us some ideas on the heritage trust fund in the future, to use it as it was originally set out to be. Or have we given that up totally? I got the picture from the budget that perhaps that was the case. If so, I suggest it's probably a very serious mistake. If we are not using it as a diversification tool, we are at the whims of OPEC. We've got to hope they get their act together. Then we are in constant conflict with the rest of Canadians to do that. I agree the price should be at the world price, especially when it's come down. There is absolutely no doubt about that, because it is unfair for this province to carry that burden of our renewable resource. Unless the price of oil is going to go up in the future, we are going to need something else very quickly.

I know when we brought up that one person estimated Alberta would be a have-not province by the 1990s, the hon. Treasurer disagreed vehemently. But I'm asking the Provincial Treasurer what alternatives there are if the price of oil stays where it is or goes down. What else do we have? I really don't know at this point. I hope the Provincial Treasurer can enlighten us on that.

With those general comments, I want to come back and ask some specific things about pensions. But I'd be more interested in hearing the Provincial Treasurer's comments on the state of the economy as he now sees it, some two months after the budget. Thank you, Mr. Chairman.

MR. CHAIRMAN: If the hon. member has some questions, perhaps he might place them now so the Provincial Treasurer would have the opportunity to reply to all the comments at once.

MR. MARTIN: Mr. Chairman, I want to hear about the economy but if you'd like me to put the questions on the pensions, there are some very specific questions to the Treasurer. They have to do with the statement made by the Minister of Education in regard to teachers' pensions, that has been raised before. The Minister of Education left the impression that public servants are not eligible for pension benefits for service prior to the age of 30. That was the impression I had. I wonder if that was true. I wonder if he would clarify this for me.

The other point I would make ties into the teachers' pensions. I know that falls under the Department of Education, but it also falls under the Provincial Treasurer. I was a little dismayed. I know we're trying to save money, but I suggest to the Treasurer that sometimes we seem to cut it in the worst way possible. There were a

number of teachers, mainly women, who before 30 had raised families — I think the youngest one is 79. They are asking that their pensions go back before that time, because they are finding it very difficult at this time. The Minister of Education said he made a proposal to the cabinet that was turned down. I wonder why.

Our estimate as to this whole group of people is that it would cost about \$1.5 million in the first year. Without being crude about it, these are very old people. It would be a diminishing effect after that. Surely it's something we could afford to these pioneers. The reason given at the time was that this would affect other public pensions, and that was the point I was asking in the first one. If that's the case, how much money would we be looking at to treat these people with some dignity?

I understand that in November 1982 the Alberta retired public employees' society made a submission to the hon. minister, and I'm sure the minister is aware of that. They asked for a number of things: proper pension adjustments to keep pace with the rise in the consumer price index, the creation of a public service pension commission, with representatives on it from appointees, to represent each pension plan being administered, and input from the various pension plan groups. I won't go through all of it. I'd like to ask for some general comments from the minister on this particular paper: if he's looked at it, if he's given them some advice on it, or come back to them with any advice on their requests.

With those general questions, Mr. Chairman, I'll leave it with the hon. Treasurer.

MR. CHAIRMAN: Are there any further questions or comments at this time? Perhaps the hon. minister would wish to reply.

MR. HYNDMAN: Thank you, Mr. Chairman. Dealing first with the number of questions and observations of the Member for Little Bow, he indicated that he is concerned about the deficit. So am I. That is one reason why we set forth in the budget this year very specifically a four-pronged fiscal strategy which dealt with not only the deficit — that being one of the objectives — but also financial management, with the general goal of safeguarding the province's finances.

For example, the reduction in the rate of growth of the overall government itself from 35 per cent last year to 7.5 per cent — the beginning of the significant turnaround and reduction, a process which must take place over two or three years and can't simply be done in 12 months — is, I think, evidence of coming to grips with the reality of the reduction in the rate of increase of energy revenues. The reduction in the budgetary deficit to \$845 million — now something more than that with supplementary estimates — is a further indication, and the reduction in the size of the public service. In my research, that had not occurred since 1905. It was a modest reduction this year but the general trend is apparent, and that is to reduce the rate of growth of government.

So those priorities are there. Also evident is the fact that there was an economic resurgence plan last year which began with the supplementary budget of last year, a \$5.4 billion oil and gas activity plan, and the subsequent programs which shielded Albertans from very high interest rates at that time.

The hon. member asked for more information as to what next year's budget will be. It's not possible to predict or give more information on that. I can say, however, that the forecasts we made in this year's budget

are generally on track. We do not see the need for any supplementary budget such as was brought forth last year five weeks after the original budget. There is a supplementary estimate before the Assembly for two programs: first, the \$100 million program of my colleague Mr. Zaozirny and, secondly, the \$27 million program under Manpower. Apart from that, we feel that the general projections are on target. It's always difficult to project what might be the situation with regard to energy revenues, but we feel that the estimate of \$29 per barrel is the one that it is fair to rely upon at this time in terms of revenue projections for the balance of the fiscal year, and that's what they are based on.

I think there have been a number of, in many cases, very difficult priority decisions made with regard to expenditure. I think it's important to indicate that when we have reduced the rate of government expenditure from 35 per cent to 7.5 per cent, some very significant priority choices were made. However, I welcome at any time — and if there is to be criticism of the size of the deficit or the size of the budget, then those who make that criticism must, for example, take a round figure and find a way to suggest the saving of \$1 billion. Let's say \$1 billion out of \$7.5 billion of operating. I would welcome suggestions from the hon. member as to where, say, a significant amount like that could be found, because those are the figures I think we have to look at.

Suffice it to say that we will continue to ratchet down the rate of increase of expenditure, and it will mean some priority decisions. I think Albertans are ready to realize and believe that government should cut the cloth to fit the revenue dollars, that we must live within our means, and that therefore it requires choices and perhaps we will not be able to have all the choices we had in previous years.

If I could perhaps deal with the questions posed by the Member for Edmonton Norwood, he talked about pensions. Yes, as mentioned by the Auditor General, there is an unfunded liability with regard to pensions. I don't think that makes the economic outlook worse. That liability is one which he mentioned can occur over a decade or two. We took a major step in initiating a \$1.1 billion Pension Fund, which is unique in the country. What we are doing, pursuant to the recommendations of the Auditor General, is looking at the various other options he recommended must and should be reviewed in order to preserve the integrity of the pension system for pensioners, for those who are contributing and will be pensioners, and also for taxpayers in future years, because the government is a guarantor of all pensions.

The Auditor General mentioned that there were three options. One was to increase the size of the Pension Fund from its original size of \$1.1 billion. With the present financial plan and the outlook for revenues, that is obviously not realistic. The second option he mentioned was to cut back on benefits available to pensioners. I don't think there would be any significant degree of public support for that option. The third approach, and one which has been followed in recent years by a number of governments, is to look at increasing gradually, over the years, contributions of employees and employers to the Pension Fund. As with other aspects of the Alberta economy, in many cases the contributions to a number of the pension funds in Alberta are relatively low compared to other provinces. That is one of the options we are examining, because we feel that, above all, pensioners want to be ensured that the integrity of the pension plan is maintained.

With respect to the price of oil, as noted by the Member for Edmonton Norwood, I've already mentioned we are projecting our budget on \$29. That appears to have stabilized, to the extent that the Middle East can be an area of resource dollars that stabilize. It appears to have stabilized at about that figure. I mentioned there is certainly no plan for any revised or secondary budget at this time. We are generally on track with regard to revenues, and the supplementary estimates which have been tabled indicate we are somewhat higher, by about \$127 million, in terms of expenditures.

On the topic of diversification, I think I should point out to the hon. Member for Edmonton Norwood that there's a very important distinction between the jobs and activity generated by diversification — which are considerable and which have been very considerable since 1971 — and the tax revenues that can come from diversification. Those will never be the same as the royalty revenues which come from oil and gas. There is no practical way in which that will occur. So the diversification approach of this government is related to creating jobs and activity by diversification, realizing at the same time that there is not going to be a replacement for the \$3 billion to \$4 billion this year, for example, that is generated by royalties from oil and natural gas. In terms of diversification and industries of that kind, of course, those only come down the road after industries which are the subject of diversification reach a taxable and profitable position.

I think that covers most of the topics mentioned, Mr. Chairman. With regard to the specific question on the eligibility or otherwise of civil servants prior to age 30 with respect to pensions, because that is a topic on which I would want to be absolutely correct before making a public statement I will get the information and perhaps provide it to the hon. member during committee study of the Financial Administration Act amendments.

On the topic of teachers who retired before 1970, there's little I can add to the four reasons stated by my colleague the Minister of Education when he announced the policy taken by the government in the House some weeks ago.

With regard to the Alberta society of retired employees, I enjoy meeting with them at least once a year. They make well-considered and vigorous representations. We have been able to partly meet their representations with regard to the annual increase in the cost of living index on pensions. In this province, that is a discretionary piece of legislation. As I indicated to them on a number of occasions, there are quite a number of employees in this province who retire without any opportunity for any cost of living. When those cost of living increases, which are passed by order in council — which, admittedly, have been less than those asked for — are added to the various other programs, because that is one of the 20 or so programs available for senior citizens, we feel they will stack up comfortably against other senior citizens in the rest of Canada.

MR. R. SPEAKER: Mr. Chairman, the minister has indicated in one of his comments that he didn't really want to comment on the 1984-85 budget. But maybe we can speak of the principles, rather than the dollar terms.

On page 29 of the budget speech, the minister outlined the effect on the heritage fund of transferring revenue to the general revenue expenditure of the province. The reduction from 30 per cent to 15 per cent added \$743 million. The use of a full year's heritage fund investment income added \$1.5 billion. Does the minister see that

kind of trend continuing in the upcoming year? If we have shown restraint in the budget — the minister has indicated that we've reduced the percentage of increase in the budget, but there hasn't been any significant decrease in programs of government nor in the staff establishment, which means that the trend of expenditure, the pressure that's going to be on the public purse, will continue.

The only way we can come up with a comparable budget in [1984-85] is to utilize the Heritage Savings Trust Fund in the same manner. If we have based our current budget of 1983-84 on \$29 oil — we think that pattern will hold. There isn't any good information that indicates significant increases in sales or resource revenue in that area. So to maintain what we're doing, the same principles or policy positions will have to be used in terms of the Heritage Savings Trust Fund. I'd like the minister to comment on whether that is a possible option, may not be a possible option, or will be a possible option without some significant cutbacks in government.

An example, and I've cited it in this Assembly two or three times, is the housing expenditure. There we have a number of millions of dollars — if you took it in gross, over \$1 billion. I'm not sure we can cut it all out in one year. But it is an area where, under the present economic circumstances, we could cut back. Certainly it's nice, an excellent program, well received by Albertans, senior citizens, and those at middle-income levels who have subsidized mortgages. I'm not so sure I agree with that.

There are many of those across the province — nice when we have this kind of cushion of resource revenue. But I don't think we have that. If I was in a position to make that kind of decision, I would make that decision. I think it's acceptable to Albertans at the present time. They would say yes, in terms of priorities where we must keep an emphasis at this time on education, health care, and hospitalization, those are our top priorities; we don't want to erode the revenue for those functions; I think we can withdraw from the housing responsibility this government has taken, even just in terms of priorities, never mind talking about housing in terms of the principle of the private sector supplying housing for the province.

I see that the heritage fund will be approached in the same manner for the '84-85 year, and I'd appreciate very much if the Provincial Treasurer could comment on that.

MR. MARTIN: Mr. Chairman, just to come back, I'm still not clear in terms of the unfunded liabilities. I do agree, and I made the statement that it's not going to occur tomorrow, it would be over a period of time. But I'd like a more definitive answer from the Treasurer about how long we have before we have to start paying a significant amount of this back out of general revenues we may not have in the future.

Let me enlarge on that. Am I right that in 20 years that is what they're looking at? Could that be a significant drain? It would be this year, if a lot of it came due. And how serious — I know the Treasurer said it's not serious. I believe it is, when we're looking at over \$5 billion. I'd like to put that in perspective, how long and when he thinks a lot of that will come due.

[Mr. Purdy in the Chair]

The other part, just to follow along, I guess we can be a little hypothetical; it's not question period. The Treasurer said that \$29 a barrel, and I agree with him, as much as possible seems to be stabilized, at this specific time, anyhow. So it doesn't need to change the budget. It's

basically on track, if I understand the Treasurer. What would it mean next year, generally, if it were still \$29 a barrel, if somehow it stabilizes for the next three or four years because there is a surplus? Let's just look at next year. Is it going to mean a massive deficit again, in terms of \$2 billion or \$3 billion, if the price is stabilized at \$29? I know the Treasurer can't give an exact penny figure on that, but I'm sure his department is looking at this and trying to speculate. I know if it goes up, that will solve some of the problems. If it goes down — we don't want to even think about that in this province at this particular time. Let's not be optimistic or pessimistic but take a look if it stays about the same.

The only other things I would say — and I know this is through the Minister of Energy and Natural Resources. But the Treasurer has a fair amount to say, being, I understand, number two in the pecking order about these things. We go back to it, in terms of money. We're all trying to save money, get the bang for the buck. We've asked the Premier, and he says that the economic resurgence plan is a lot of money. Over the five years, it was over \$5 billion. We're talking about saving money. It seems to me that the companies, being very shrewd as they are, are not going to invest unless that price goes up. That's what I've been told by a number of people in the oil business. It's just too uncertain, even with the money the government's giving them now. And with no performance guarantees, that's a lot more money that's going to go out. They'll take the money — as shrewd businessmen, we all would — but with no performance guarantees, I understand it's going into debt reduction for most of the companies at this particular time; they can invest it elsewhere. Is that not an area where we could cut back for the time being? It doesn't seem to be doing that much good. I'm sure it's good for some people, but when we're looking at deficits and good money management, we have to look at it all, even the sacred cows of this government. I would ask the Treasurer if that's not a place to take a hard look.

The other point I would make is probably picky, but seeing we're in estimates I guess we can afford to be picky. I notice in Vote 1 — we're talking about restraint — it's not bad compared to other departments. But we're talking about 5 per cent; I think we have over 9 per cent in the Treasurer's support services. Again, what we say and what we do, often that's what people look at. When the Treasurer made his speech and looked at the support services, in times of restraint I expected there would actually be a cut. I was quite surprised. I wonder why he couldn't set that by example for the rest of the departments and save some money. I'm sure there's a very logical reason, but I'd be interested in that if he wanted to show by example.

With those few more comments, Mr. Chairman, I'll sit down and wait for the Treasurer's answers.

MR. HYNDMAN: Mr. Chairman, on the question of the position of the heritage fund with respect to provincial budgets, hon. members know of course that in funding the Alberta economic resurgence program, all the income from the heritage fund was and will be diverted for a period of 24 months, from September 1, 1982, towards those various resurgence programs. As well this year, as has been evidenced by a Bill, the usual, shall we say, 30 per cent that has been transferred from resource revenues into the heritage fund has been reduced to 15 per cent.

It's not possible to predict what the future will hold. Certainly we will maintain the integrity and principle of

the heritage fund, which is a savings trust fund for the future, for the rainy day. The fact that that fund was available with income this year of over \$1 billion indicates that the original contemplated purpose of the fund as a balance wheel during rainy day times — and because we had a heritage fund available at a time of high interest to help shield farmers, businessmen, and Albertans, and to help the energy industry get back on its feet after the double blow of the national energy program and the world economy, I think indicates that the heritage fund idea was right at the beginning. It's sound now and the principle, integrity, and philosophy of the fund will be maintained.

In terms of budgeting, I think the hon. Member for Little Bow is really talking about probably four basic elements that must be balanced in the preparation of any budgetary strategy. There are revenues, expenditures, savings, and borrowings. In the budget before the House now, we of course have significantly reduced the rate of growth of expenditures. We have seen revenues drop in the rate at which they were increasing and it was, therefore, prudent that we would plan for and in fact reduce the rate of expenditure. We are doing some borrowing, for the first time in some years, and that must be kept within reasonable bounds. In fact we have used and applied for this year part of our savings, being the Alberta Heritage Savings Trust Fund. So that is the four-element mix this year.

Frankly it's not possible to predict at this time what the situation will be next year. I can assure members of the House that we will continue to reduce the rate of increase. That must be done, frankly, by reducing the rate of increase of services such as the health and hospitals area. If those were to continue at the rate they've been continuing in recent years, they would shortly consume most of the provincial budget. That is why there have to be some realistic priorities set with regard to that department, with regard to social services, education, roads, and all the major departments comprising that \$7.5 billion of operating. Then as well, decisions must be made in future regarding the capital dollars because each one of those dollars attracts an operating expense later on. So again, it's a mix. Where the heritage fund would fit in that mix next year is premature to be able to predict at this time.

With regard to the supplementary comments of the Member for Edmonton Norwood, there's no question that the observations of the Auditor General with regard to unfunded pension liabilities are worthy of very close review. We believe that if prudent decisions are made now, realizing that the liability is one which will accrue over perhaps two decades, we can certainly reduce if not eliminate any significant putting at risk of the provincial finances. In other words, if we know now that there are three options available, all of which would have to be looked at and acted on in order to make the unfunded pension situation not of concern, then we'll have to look at those. As I indicated, two of those three options are not that practical. The one which I think those most directly involved would want reviewed at this time, which I think is being reviewed, is the one where there would be a possible gradual, over-the-years increase in the contributions of employees and employers to the various pension programs. I think that is a preferable option. By looking at that, without at this time drawing any conclusions as to time lines or amounts, we can preserve the integrity of the system.

It's impossible at this time to predict what the price per barrel of oil will be next year. We have to remember,

though, that that's only part of the equation; the other side is volume. Active efforts are being made to reduce the shut-in oil situation. If those meet with success, then we could see a very significant increase in revenues, even at the same price of \$29 a barrel.

Similarly, at the moment there are difficult times with regard to sustaining natural gas prices and exports. There again, that depends on the world economy, the American economy. The fact, for example, that the Americans have only a four- to five-year supply of natural gas compared to our 25-year supply, in the long run holds very real promise. In addition to looking at the fact that our traditional 50 per cent oil and natural gas revenues are leveling off, we must look, as we have this year, at other revenue sources and see what those might be, but only after there has been a continuing move to again reduce the rate of increase of those expenditures and to look very closely at ways in which we can continue to reduce the cost of government.

As members know, just standing still as a government — in other words, without any new programs or enhancements to existing programs — costs hundreds of millions of dollars. But that's not good enough. If revenues are dropping and their rate of increase is as is now the case, we must actually look very closely at ensuring that the entire existing program delivery system is lean and trim; and in some cases make priority changes, which we have made this year and which will have to be examined in terms of future years' budgets.

I would not agree with the suggestion of the Member for Edmonton Norwood that one place to cut expenditures is in the energy area. That is the area where, if the oil and gas activity plan investments continue, I think we have the most likelihood in terms of cost/benefit, the promise of getting those extra returns. There's no question that the oil and gas industry is getting back on its feet now, and cash flows are improving. For example, in the area of small Canadian companies searching for new oil, right now the economics are very attractive indeed. There is no question that the extent to which the Alberta geology and the Alberta western plains situation is attractive is something which will hold us in good stead, bearing in mind the high costs of the offshore and the northern search areas.

I am optimistic. As I indicated, we believe the economy has stabilized for this year after a drop last year of some 4 per cent of real gross product and that we are, on a step-by-step basis, on the road back, realizing there are some soft spots; for example, in commercial construction. The two main engines which will bring us back will be the energy industry as well as consumer confidence.

MR. R. SPEAKER: Mr. Chairman, to the Provincial Treasurer. In the monitoring from your office in terms of budgetary control across government, what kind of technology is used? Is the computer so programmed and interconnected to the various departments of government that trends, over-expenditures, just budgetary control, can be monitored very quickly by the Treasury Department? Firstly, has the government got that capability at the present time?

Secondly, because those records would be historic in nature if they are there or fed into the Treasury Department, what access as a private member or a member of the Legislature have I to those statistics, to look at trends, and to see what is happening? What kind of access could be made available to a private member to observe some of those things and to review the various trends in various

departments at a point in time? Let's say that as of June 15 I'd like to look at a certain trend in a department, can I do that? Is there any mechanism by which I could work with, say, the Deputy Provincial Treasurer, the Treasurer, or some official and observe the budgeting as it's going on?

Secondly, is there any way a private member of the Legislature can use some of that ongoing data in terms of assessment for the fall session? As a member I'd like to do some of that kind of thing, particularly in terms of the difficulties that — being very objective about this — government is facing. We as opposition have as equal a responsibility as the government in monitoring budgeting at the present time. I'd like to ask the minister to comment as to what opportunity there would be to use that type of facility, if it's in place.

MR. HYNDMAN: I'm not sure exactly what the hon. member is looking for, Mr. Chairman, but I think one vehicle which he would find useful would be, for example, the six-month statement in the fiscal year as to the forecast revenues and expenditures, six months after March 31 of this year. There would be no day-by-day information in any formal way, but I can assure the hon. member that there is an informal, ongoing review of expenditure rates of various departments. We're now at a stage in terms of budgeting that if there is a fixed amount of money budgeted for 12 months and if the public demand is such that that money is used up in 10 months, we may be in a position of saying that that program will have no money available for the final two months of the fiscal year and that, therefore, all applications will not be met until another fiscal year, until the Legislature again votes money. That is just a realistic form of budgeting which takes place in all other governments. So we will be, if you wish, watching our pennies very closely during each of the ensuing 12 months.

MR. R. SPEAKER: Mr. Chairman, to the minister. In a greater explanation of my first question, I was thinking in terms of different types of programs throughout government. As I recall, the six-month report is more general in nature; it lists the various departments but does not go into specific programs of departments. I was looking for greater detail in terms of program expenditures. That's partly what I was looking for, and that's why I raised the question as to whether this type of detail is current constantly on some computer print-out. Secondly, would I have access to it as a member of the Legislature?

MR. HYNDMAN: In the past, I think that's been done through the vehicle of motions for returns or questions to ministers. For example, if there were interest in the fall session in finding the actual moneys paid out under the interest rate programs, I would imagine that over some fixed period of time, depending on the extent to which the information could be retrieved in the form asked by the question, that information could be provided to see whether or not the take-up or the moneys paid out under a given interest rate program were the same as predicted, or six-twelfths of the year, or were going faster or more slowly. I think it would depend on the individual program in respect of which the information was asked, because there are virtually thousands of programs and the information on some is ascertainable more quickly than others.

MR. R. SPEAKER: Mr. Chairman, to the minister. Would there be a possibility prior to the session — I certainly would use the opportunity of a motion for a return. The only problem is that if you wait to do your research when the session opens, by the time it's accumulated and the return comes back, the session is over. So I was asking the minister, first of all, what about between now and fall session? Is that type of information available through the minister's office, and would the minister make it accessible if possible?

The other question I raise is with regard to the comment of the minister that if a program runs out of budget in 10 months, then that program may be terminated at that point in time. I certainly agree that you have to have some rigid ground rules in budgeting. Has a directive such as that gone to the various ministers to indicate to them that strict budgetary control and budgets within moneys voted by the Legislature is the rule, and there will be a significant reduction in special warrants? That's basically what it is.

MR. HYNDMAN: On the first point, Mr. Chairman, I couldn't give a blanket approval to an approach like that. However, if the hon. member makes reasonable requests with respect to programs and their progress in the fall, I'd certainly agree to have a look at them.

On the second item, it's not possible or practical to have a general directive with regard to a program. For example, if there are programs in place to assist children, we're not going to simply stop assisting them, say, if it's the child welfare area, if they are children in need during the last two months of the year. If there is a program, though, that is budgeted by this Legislature at \$144,000, \$12,000 a month for 12 months, and that \$144,000 is expended by January 31 of next fiscal year, it may well be that because the Legislature has only voted those funds, it would be required public policy in terms of restraint, living within our means, that no applications or payments could be made until the Legislature votes new moneys again, beginning April 1 of the following year.

MR. MARTIN: Just one question, again about Vote I. I take it that just slipped the minister's mind. I was asking why the increase in the support services at a time when we're lean and mean — I think that's the word they used in the media to describe the Treasurer. I was quite surprised. I expected to look at Vote 1 and say, my, there's a cut of 10 per cent in the support services because we wanted to show the example of how serious we are about it. I'd be interested in why we have an increase this year, especially from the leader — if I can put it that way — of restraint.

MR. HYNDMAN: Mr. Chairman, I can accept the appellation "lean", but I hope there wouldn't be wide use of the term "mean". On departmental support services, I believe the hon. member is looking at a per cent change from a forecast last year of 9.4 per cent, \$1,940,500 million in estimates. That figure in fact does reflect a very lean and trimmed departmental support service operation. I think the hon. member would realize that within that, for example, are various items which are reflective of an economy in terms of the way the department has been moving. There are some very modest inflationary increases. There are the postal rate increases which relate to the recent changes by Canada Post; some increases in the data processing rates, which are reflected in costs of operation; there are non-management merit increases;

and one of the major items there is a reduction in the 1983-84 vacancy rate.

With regard to that general support area, I can assure the hon. member that every conceivable dollar has been pared where it can be. I note the member's submissions and look forward to their being applied to various budgets of the members in future years as well.

MR. R. SPEAKER: Mr. Chairman, to the minister. In terms of overall budget attitude, one of the concepts introduced in the budget this year is the user-pay concept. I wonder if the minister could comment on that with regard to other areas of government and a general trend in terms of a source of funds for support for various programs, whether it's hospitals, education, or roads in this province. Is there a more critical examination of that concept at the present time by the government, and is there a possible application of the concept to other areas, such as the ones I've just mentioned?

MR. HYNDMAN: It's not a general philosophy that we're exploring while overlooking others, Mr. Chairman. Certainly the user-pay fees with regard to the hospital system, for example, are such a very small percentage of the total cost; they relate to a fraction of 3 to 4 per cent of the total cost of the actual stay in a hospital. Similarly, the health care insurance premiums are only a very small percentage of the medical services provided to people around the province.

So we're not wedded to a particular philosophy in that area. However, I think that Albertans generally are prepared to see a budgeting process whereby there is visibility of government services that are provided. Government services are not free. They're provided by taxpayers; they pay for them. I think they would like to see the highest possible value received, 101 cents on the dollar if possible. So the philosophy which is evident in the budget this year will probably continue.

MR. MARTIN: Just one quick question; it's more a point. It's in Vote 2.0.4. It will just be a quick answer. I am curious what the land related information system is about. I notice there's nothing budgeted this year.

MR. HYNDMAN: That system is over in the associate ministry of natural resources, Mr. Chairman, and relates to a system of identifying those improvements or facilities which are on and under land. In previous years, it's been scattered among five or six departments; for example, the diagrams which would show the location of gas utility lines, another department would show electrical utility lines, another would show oil pipelines, another would show road easements, another would show rail easements, and others would show restricted development areas. This meant that a citizen trying to ascertain the particular restrictions, governmental and quasi-governmental, on a particular quarter section or use of land had to search with great difficulty and at considerable cost through a number of departments to find out what was on and under that land which encumbered, if you will, the clear title use of the land. That has now been correlated and concentrated, put together, and in many ways computerized, in my colleague the hon. Mr. Sparrow's department, in a form which I believe provides an example of leadership in the country. All that information is now correlated and kept available. If a private-sector company or person is interested in finding out what is actually on and under a given piece of land, he

can get that much more simply and quickly. Certainly the cost/benefits suggest that it's the best way to go. Being largely computerized, I think it can provide us with perhaps a new kind of quasi-government diversification, the technology of which we may be able to sell in future years.

MR. R. SPEAKER: Mr. Chairman, one last comment to the Provincial Treasurer with regard to the deficit. With the current budget, every man, woman, and child in Alberta now has a \$1,200 debt placed on their head. In a sense, that's something rather new to Albertans. We've had a smaller debt in an earlier budget, but that's different. This is a very significant and different change than we've had before. Albertans that are going to receive some of the benefits of the promises of the last election, interest rebates — young farmers I talk to don't even get that much return from those rebates. I think it's just a bad trend. But we've started and, as a government with a large majority like we have here, I think we can turn that trend around and do it in a way that the people of Alberta will be supportive of real budgetary restraint and no debt. We can be the shining light of a balanced budget and controlled government expenditure in Canada and, hopefully, sometime even limited government.

Mr. Chairman, we have the situation. My question is: are the Provincial Treasurer and his department working towards a balanced budget for the fiscal year 1984-85? Is that what the object is, or will it be somewhat of a similar trend? Hopefully it's a balanced budget. That will mean some difficult decisions; there's no question about it. I know the Minister of Hospitals and Medical Care has faced some difficult decisions, and other ministers will have to do the same thing. I'm urging that, as well as asking for a comment from the minister.

MR. HYNDMAN: Mr. Chairman, I think we can certainly move towards a balanced budget provided that the hon. member and all members indicate to their constituents that the expectations of services in terms of 30 per cent higher quality in the past than most of the country, have to be ratcheted down, and given the assistance of the hon. member in talking to and making clear to his constituents that in terms of budgeting, revenues have to be related to expenditures. Certainly in the general theme of responsible public financing, we would not want to see a situation where a significant string of high or increasing deficits would continue. That's not good for the province. That would put at risk our credit rating. So while it's not possible to look to next year or the year ahead, we think a continuation of budgeting on the basis of living within our means is a general theme which this province should be involved with for the next number of years.

Agreed to:

1.01 — Provincial Treasurer's Office	\$228,300
1.02 — Deputy Provincial Treasurer's Office	\$990,300
1.03 — Administrative Support	\$1,940,500
Total Vote 1 — Departmental Support Services	\$3,159,100
Total Vote 2 — Statistical Services	\$2,250,700
Total Vote 3 — Revenue Collection and Rebates	\$90,874,200

4.1 — Financial Management and Planning	\$32,547,800
4.2 — Employee Insurance and Compensation	\$3,904,800
Total Vote 4 — Financial Management, Planning and Central Services	\$36,452,600

Department Total \$132,736,600

Total Vote — Salary Contingency \$110,000,000

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

[Motion carried]

MR. DEPUTY CHAIRMAN: The Department of Energy and Natural Resources, Vote 1, departmental support services.

MR. MARTIN: I am waiting for the hon. member's speech. The last time he was cut off, and I thought he wanted to continue.

MR. M. MOORE: Mr. Chairman, I believe that the House leader will be here shortly. He wanted to go to the remaining votes in Executive Council, which is the ERCB under Executive Council, as opposed to the Department of Energy and Natural Resources.

MR. DEPUTY CHAIRMAN: You say the House leader will be here?

MR. MOORE: Yes. The ERCB vote under Executive Council will be the responsibility of the Minister of Energy and Natural Resources.

Executive Council

Agreed to:
Total Vote 7 — Energy Resources Conservation \$22,160,000

Total Vote 11 — Public Service Employee Relations \$334,676

MR. DEPUTY CHAIRMAN: Which department would the Government House Leader like to move to now?

MR. CRAWFORD: Mr. Chairman, I want to move that the vote be reported. Is that necessary?

MR. DEPUTY CHAIRMAN: I'm sorry, yes.

MR. CRAWFORD: I had difficulty finding which vote it was. Mr. Chairman, I move that votes 7 and 11 be reported.

[Motion carried]

MR. CRAWFORD: Mr. Chairman, not being one who's very familiar with gaming and not knowing what seven come eleven means, we got through it all the same. The next department would be Energy and Natural Resources.

MRS. CRIPPS: Was there a total for Executive Council?

MR. DEPUTY CHAIRMAN: The other votes under Executive Council have already been reported, so it's not necessary to have a total.

Department of Energy and Natural Resources

MR. DEPUTY CHAIRMAN: Has the minister any comments? Are you ready for the question?

MR. R. SPEAKER: Mr. Chairman, the minister has been away from the House lately doing some negotiations. I think a report would be acceptable at this time.

MR. ZAOZIRNY: Mr. Chairman, I certainly wouldn't want to disappoint the hon. member. I'll make some brief comments; I'll keep them just that. Firstly, with respect to the negotiations that I believe the hon. member is alluding to, we expect to have a further meeting involving Alberta and federal government representatives with respect to the energy agreement within the next week or so. We expect that will be the next of a series of meetings during which we will be addressing the appropriateness of the present energy agreement in the context of the realities of 1983.

I don't think I need to take the time of the committee, Mr. Chairman, with respect to the Alberta position on market pricing on crude oil — our position is well known — nor do I think it would be appropriate for me to comment in any detail with respect to those discussions, given that we are in the course of negotiations.

Mr. Chairman, seeing as how I'm on my feet, I do think I should comment very briefly on a matter that was raised in the remarks of the Leader of the Official Opposition and the Member for Edmonton Norwood with respect to natural gas export pricing. Simply, I think it's important that there be placed on the record a clarification of a misunderstanding, a misapprehension that both hon. members appear to be under as to the consequences of take-or-pay provisions in natural gas contracts. Given the fact the members in question are of the view that the Alberta proposal for incentive pricing for volumes of natural gas in excess of certain base quantities be implemented, given their view that that would constitute a significant deviation from existing contractual arrangements, they must be somewhat surprised that not only is it a proposal put forward by the Alberta government but in fact a proposal endorsed by industry. They must be surprised, because industry has a considerable interest in ensuring that the maximum revenues that can be obtained are obtained. Certainly industry would not be willing, prepared, or interested in walking away from contractual obligations that would entitle them to greater rather than fewer dollars.

Mr. Chairman, the fact of the matter is that if one closely examines the bulk of the take-or-pay arrangements in existing export contracts for the sale of natural gas — and I commend the reading of some specific contracts to both hon. members — they will discover that while the bulk of those contracts speak in terms of a 75 per cent take-or-pay level, the pay aspect of that provision involves paying in the first instance at a price significantly less than the existing border price and, in most instances, involves a payment at the level of approximately one-half the normal border price. Further, that pay provision in the take-or-pay aspect of these contracts involves the payment of dollars, but the application of those dollars to future takes under the existing contract.

As members will be aware, these natural gas contracts extend for a period of many years. So when one recognizes that the average level of take under existing export contracts is in the order of 47 per cent, when one recognizes that the pay aspect of those contracts involves paying at approximately one-half the normal border price in most instances, and that these advance payments are then to be applied against future takes of gas, one recognizes that in fact the Alberta proposal, which is both an Alberta and an industry proposal, would be a beneficial development if, as is our hope, it would give rise to further and incremental sales of natural gas to the United States.

Mr. Chairman, I think it's important to have that clarification on the record, because certainly the questions raised by the hon. Leader of the Official Opposition during question period — his remarks both inside and outside the House — must have been made without taking into account the specific nature of those take-or-pay provisions. I would simply draw that to the member's attention.

I conclude this matter, Mr. Chairman, by responding to a question put by the hon. Member for Edmonton Norwood when he inquired as to the existing surplus reserves in the province of Alberta. I respond to his inquiry by pointing out that in the most recent report of the Energy Resources Conservation Board, as of June 30, 1982, the provincial permissible surplus was estimated to be 17.1 trillion cubic feet.

Thank you, Mr. Chairman.

MR. MARTIN: Mr. Chairman, I'm glad the hon. Minister of Energy and Natural Resources had a chance to finish his speech, because I knew he wanted to. I have a couple of comments. Surely on the comment about take-or-pay, where American utilities are breaking their contracts or going lower, there are a couple of points we have to say clearly. I go back to the pamphlet that was put out here. It says:

Will the United States need increased Canadian imports in the future?

Do you recall that question? The answer is:

Yes — very likely. The current gas deliverability surplus in the US is caused by reduced demand resulting from the factors discussed earlier, combined with increased supply resulting from record drilling activity in 1981. But the producing life of US reserves remains short, and today's low level of drilling activity will result in further declines. This presents a substantial future market opportunity for Canada, but serious consideration must be given now to the competitive position of Canadian gas in the changing US marketplace.

The point that we come to, when we look back in historical perspective, is that we acted as a good neighbor in the '70s when they had the cold winters there. To ship extra gas was not part of our agreement, but we did. As a good neighbor, it was the right thing to do. It was absolutely the right thing to do. The hon. Treasurer said, and maybe the Minister of Energy and Natural Resources can disagree with him if his figures aren't right, that there's probably about four years' surplus in the United States right now, and that we had — I don't know how the trillion would work out in years — about 20 years surplus in Canada that we know of at this particular time. I would ask the minister if that's correct.

My point is that we have been a secure supplier to the United States when they needed us. We were a good

neighbor. Now when they have a temporary surplus, they're asking us to take a cut. That's hurting both the federal and provincial revenues. Surely, Mr. Chairman, that is the point. We should have clearly said to them: you have this agreement; we think it's a fair one; we will give you a secure supply; we've helped you out before. It would hurt our revenues. Surely the deficit of the federal government and the deficit that we're having here would make our case plausible, that we want to be good neighbors. It's on both sides. They can't have it both ways all the time.

It seems to me that with the figures we're talking about, they're going to need more gas from us in the future. They're going to have to look to us. The rest of the world is not a secure supplier. They would look to us; at least they should. Surely this president of the United States is not going to be there forever. There will be somebody who will be more reasonable in terms of it. I know it's a matter of strategy that both the federal and provincial government looked at, but we're just honestly saying that we think there was a different, tougher, and harder strategy that could have been used — a much tougher stance.

If not, then what's the point? Why don't they just come in and take it whenever we want? Surely we have our policies and they have theirs. What's the point? Is it that they just tell us every time what we're going to get and that's it, no negotiation? If they don't like the agreement, they're not going to bother taking it, so we cut the price. What sort of negotiation is that?

I suggest to you that there is a different way to look at it. If we look at the facts and figures. If we go by the 20 years — if you want to disagree with that, certainly the hon. minister would agree that we have more of a surplus than they do. They're going to have to be looking in the future. What are we going to do? Start from the lower price then? This is still our country and our natural gas. In terms of the figures, I hope it is 20 years. I think the minister would agree.

We went through this with oil. That was my only point in asking the question. I know that it isn't this minister and it isn't Chrétien, but Joe Greene made an absolute fool of himself when he talked about 500 years after talking to the oil industry. I'm sure the minister is aware of what I'm talking about. So if there are 20 years there, we'll go on the assumption that the government is right. They're still going to have to deal with this. But we should be dealing with them from strength rather than weakness.

That agreement is going to cost us a lot of money. I'm sure the minister is well aware of that. That's the point we're trying to make: give us a negotiation stance. Back in the '70s, we didn't have to give gas to the United States, but we did it as a good neighbor. Is that the way a good neighbor treats you after, when they have a surplus? I do not think that's an appropriate way for them to react. I don't think we should have caved in to this.

Obviously the industry would want it. Of course, there are other alternatives we've thrown out that the minister has rejected: pro-rationing, gas banks, and all the rest of it that could have kept the cash flow going for at least some of the smaller industries. Some of them in the industry have told us that it would work, too. But if we're just going to jump every time the United States says to and say, that's fine, take our revenue, take our gas at whatever price — that's what I'm questioning. I'm questioning it in terms of the long term when they're looking later on, as the minister has said.

The other point I'd like to come to is one that my

colleague raised. It's a moral issue, and I'm not sure that everybody here would agree with it. I'd like to just proceed with the minister a little bit on it: the sale of 400,000 barrels of Alberta light and medium crude to Chile. The Minister of International Trade said today that the sale of oil to the Chilean junta was synonymous with the sale of wheat to the U.S.S.R. But I think the point remains that if you look at what is happening in that country, you can't run a tank on wheat; you can't strafe striking miners, which has happened, from a fighter plane operating on canola oil; and children don't starve because of crude-oil deprivation. What we have is a government that has one of the worst records of human rights. If we believe in human rights — we have a Human Rights Commission to look after people in this province — we have to be concerned with human rights in the rest of the world.

Amnesty International, which is a non-partisan group — I'm sure the minister is aware of it — has estimated that the Pinochet junta has murdered at least 30,000 people since it seized power in 1973. They use the term "murdered". As little as two weeks ago — that was why Amnesty was concerned again, why they sent off the telegram in the States that we tabled because of the recent things that happened — he ordered his troops to comb through several of what we would call ghettos around the capital. They engaged in a mass roundup of suspected subversives, who can be anybody who doesn't agree with the government. They herded them into a local sports arena. The conservative — and I use that term loosely — estimates are that there are over 2,000 people there. Anybody who knows anything about this government — it's not just that they have been rounded up. If they're not watching those people, they will be tortured. I can show you and talk to people who have been tortured there and who live here in this city at this particular time. This is the real face of the government that we're selling 400,000 barrels of light and medium crude oil to.

On May 9 the minister said, on page 877 of *Hansard*, that:

... we have been ensuring that our message about the need for price flexibility and reasonable term contracts for export sales goes before the National Energy Board.

... we will continue to press very strongly for a resolution of this issue, the resolution of which can bring some extremely positive economic benefits to this country as a whole.

[Mr. Appleby in the Chair]

Was this sale of light and medium crude to Chile one of the aspects of the resolution of this issue for which the minister continued to press very strongly? Was that one of the things he was talking about in the May 9 *Hansard*?

The point we make — I know it's through the National Energy Board — is that we do have the right to stop it, as we did with other Canadians when we were upset with other Canadians. If you recall, we cut off the tap to the rest of Canada. If there are other human rights — and there are communist countries I think we should be doing the same thing to. But certainly this is one of the most prime examples of a corrupt dictatorship that there is in the world today. They don't hesitate to murder and torture. Surely we should not be, through Alberta — that's one place where we could put the stop to 400,000 and make a statement for human rights. I think the rest of the world would cheer for us and say right on, good for you,

somebody's taking a stand.

I ask the minister if they would reconsider this. They can do it. If necessary — because we're worried about cash flow, especially for some of the smaller producers; I recognize that's a problem — just for those 400,000 barrels, we could set up a gas bank for that much at least and make a statement to the rest of the world. I would ask the minister if he would continue with that.

Mr. Chairman, there are other ways to look at issues from time to time. That's a point my colleague and I were talking about. We know the industry heeds the cash flow, but there are other ways to go about it. In terms of the Americans, I think we've made a mistake in negotiating from weakness. I've done some negotiating, and I usually don't like to do it from that end. The other is about Chile. I think we have a chance to make a strong statement in a human rights way. You can say it's federal jurisdiction, but I make the point very clearly: if we could cut it off to the rest of Canada, we can cut it off to a junta that has one of the worst records on human rights in the world today.

Thank you, Mr. Chairman.

MR. GOGO: Mr. Chairman, I want to make a couple of comments because when the Provincial Treasurer gave an overview, my recollection was that he said America had five to five and a half years of gas reserves and we had some 25 years of secure gas supplies in Alberta, which is somewhat different from the Member for Edmonton Norwood. I wonder if the minister would confirm that.

Secondly, could the minister confirm that apparently only 4 per cent of U.S. needs come from Canada? I would think that we're somewhat vulnerable. In the meat business, they say you either sell it or smell it. With regard to the gas business, it seems to me there's a vulnerability there. If the Member for Edmonton Norwood and his colleague are so concerned about maintaining the hospitals and the school system in this province, obviously we need revenue. I don't know of any other way of getting that 65 per cent of the revenue, unless it's taxation, than selling non-renewable resources. So I'm fairly comfortable that the minister, on behalf of this government, should be getting the best price possible. If the ability to pay for these contractual buyers in America is not there, surely we should exercise some judgment in terms of getting the best price possible.

Finally, with regard to the comment made by the Member for Edmonton Norwood, as though we're not good international citizens, my recollection is that this government contributes more in terms of international aid than all the provinces of Canada combined. Now, if his preference is — whether his connection with Greenpeace, with Sierra Club, with worldwide organizations regarding that kind of thing, fine; I admire him for it. I question whether it has any pertinence in this Legislature. As a member of this Assembly, I'm proud that this province donates more in terms of international aid than all the provinces of Canada combined. As far as I'm concerned, that's something we should be very proud of and should stand up and say to the world.

MR. CHAIRMAN: Are there any further questions or comments?

MR. ZAOZIRNY: Mr. Chairman, perhaps I might respond briefly to some of the comments made. I always enjoy listening to the Member for Edmonton Norwood. What he lacks in facts, he makes up for with his colorful

language.

I trust, Mr. Chairman, that the hon. member must have been preparing his remarks as I talked about the nature of take-or-pay contracts, because he totally ignored them in his response. From the sounds of it, I don't think the hon. member or his colleague understand the nature of those contracts, because they continue to argue, for whatever reason, that in some fashion there has been some wholesale retreat. There seems to be a failure to recognize the nature of those take-or-pay contracts and the fact that if the incentive proposal — that is, the Alberta and industry proposal — is first accepted and endorsed by the federal government and thereafter taken up by purchasers in the United States, the net result will be a better position than under the existing arrangements.

Again, I must simply say to the hon. member: pull out a contract and take a look at what take-or-pay means. If you do that, you will learn that the pay aspects of those contracts, on the broad spectrum of those contracts, involves a payment at approximately — and I'm generalizing — one-half of the normal border price and, significantly, those payments are then applied to subsequent take-ups of natural gas in future years of the contract. Surely, Mr. Chairman, if the hon. member understands that concept, there would be a recognition that if we are able to achieve some additional sales of natural gas into the United States beyond the current level, that will be very much in the best interests of both the industry, which embraces the Alberta proposal, and certainly Alberta and the citizens of this province, as well as very positively impacting on the balance of trade and balance of payments for our country as a whole. I don't know how much more I can try to drill that point home.

The hon. member, I suppose, will continue to use his colorful language of dealing from weakness and whatnot. That's his prerogative and it probably sounds good at the fireside chats of his membership, but it doesn't really bear much resemblance to the reality of the situation. As I say, were it otherwise, industry would simply not be supportive of the proposal. That proposal was arrived at very much in consultation with industry, and it is our hope that the concept will be adopted by the federal government.

I think it's also relevant and important, Mr. Chairman, to re-emphasize the fact that the proposal is of an interim nature. It's a proposal that would extend to a period in the fall of 1984, and the reason for that is clear. I should say that the most effective part of the hon. member's comments were his recitation of the fact book prepared by the province of Alberta. The member reads very well. The fact is that it is our expectation that in the mid-1980s and beyond, there will be an ever-increasing demand in the United States for Canadian natural gas, and certainly we're cognizant of that situation.

It's our view that there may well not be a need for the incentive pricing arrangement down the road. But even more importantly — and this is a concept that the hon. Member for Edmonton Norwood may have some great difficulty with — we believe that in the intervening period, the United States natural gas market will rationalize itself and enable us to move to a more market-oriented and market-specific approach, where we are zeroing in on specific markets within the United States and are able to sell good, healthy volumes of natural gas at the going market price. We believe in the market approach.

Subsidiary to that comment, I suppose I should emphasize this government's belief that to the extent we are

able to market our products, our industry is going to go out and find much more natural gas. I think the hon. member's philosophy is one which views the quantity of natural gas as being particularly finite. Certainly, our experience over the 1970s draws one to the inevitable conclusion that when there is a proper market available for natural gas, when the pricing incentive is there, our explorers are going to go out and find much more. That was the experience in the 1970s. We believe that with an approach that tries to maximize sales as well as ensuring good, solid revenues in the years ahead, that will continue to be the case. So that will be the policy of this government, and we stand very strongly with that approach.

Mr. Chairman, I won't comment in any great length on the matter of light and medium crude oil sales to Chile, except to mention that I had undertaken to the House to seek out some additional information with respect to this matter. The preliminary information provided to me indicates that an application for this particular sale was made before the National Energy Board by a company by the name of CIPCO, an Ontario-based company. The Alberta Petroleum Marketing Commission was contacted by the NEB to determine whether there was a quantity of light and medium crude available, and they indicated that such was the case. I think the hon. Member for Lethbridge West has commented very effectively on this matter, and certainly during question period earlier today my colleagues in the House spoke very effectively on this matter as well.

I would simply wrap up by indicating that prior to the determination of the 17.1 trillion cubic foot surplus of natural gas, there is in addition to that a 25-year estimated supply in terms of Canada.

Mr. Chairman, those would be all of my comments on the matters raised.

MR. MARTIN: Mr. Chairman, just to follow up. I always like a good discussion with the Minister of Energy and Natural Resources. Would he confirm my figures? If he is in disagreement, I would be interested. We're talking about getting into the American market. It's my understanding that about 6 per cent of the U.S. market and 20 per cent of the value of domestic consumption is served by U.S. sources, at prices as high as \$7.25 per MCF, and that before, ours was serving only 4 per cent of the American market at a price today of \$4.40 per MCF. Then, of course, it's our figures that at least with the three U.S. utilities that recently cut their take from contracted amounts by as much as 73 per cent, that could cost Alberta in annual gas sales. I know the minister is going to say that we're going to get more, but there's no guarantee on that. There's absolutely no guarantee. But that will cost something like \$1.7 billion. We're going to have to make a lot of sales to make up for that. Then when the break comes — that's the point we're talking about; if it's at three or four years that the Treasurer is calling — which price are we going to be negotiating from? Probably the lower one. It could be a lot of money over a lot of years.

I know the minister is not going to sit here today and say they made a mistake. But as I was trying to point out, besides all the colorful language that the minister uses, there is a different way of looking at it. It's my job as an opposition member to point that out. I think the minister is well aware of that. When they can pay \$7.25 MCF for their own and ours was at \$4.40, they were still getting a good deal. Now it's going to be cut even more. If I were an American utility company, I'd cut it again because

obviously, following the logic, we'd have to cut our price some more. Maybe they can get it for nothing by the time we're through, just to stay in the market. I suggest that doesn't make a lot of economic sense.

Thank you.

MR. ZAOZIRNY: Mr. Chairman, I wouldn't want to delay the proceedings of the committee, but I feel compelled and I am delighted to have the opportunity to respond again. The hon. member made reference to the fact that there is an entitlement to a difference of opinion. I simply say that that's quite correct. I find the difference delightful and would be happy to take it to the people of Alberta on these issues, and of course we will in due course again. But I say to the hon. member, you'll have to bide your time.

The fact is that there exists in the United States natural gas market right now a very complex set of regulations. I believe there are in the order of 29 different categories of gas. The United States administration recognizes the tangled regulatory regime that is presently in place. I suppose it's fair to say that it's another example of the difficulties that are created when government tries to control price and regulate the private sector to too great an extent. The administration, in recognition of the difficult and entangled situation that prevails, has brought forward legislation which is designed to rationalize that system. So it gives rise to a whole host of anomalies.

But again, the hon. member is confused because he talks about a price of \$4.40 and plans to drop it further. The fact is that the \$4.40 U.S. price was recently adjusted from the former price of \$4.94 U.S. The reason is that we have a bilateral agreement with the United States. Surely the hon. member is not suggesting we should breach our bilateral agreement with the United States, which is of course the so-called Duncan/Lalonde formula, which provides for a pricing of the natural gas into the United States based upon a BTU equivalent of the price of crude oil landed on the eastern coast of Canada. Neither we nor the federal government, in whose jurisdiction international trade falls, has any intention of breaching a bilateral commitment. We do honor our agreements. Therefore, there was the announcement of a revision of the price to the \$4.40 U.S. mark on the 11th of last month by the federal minister, Mr. Chrétien. That is the base price. Any further adjustments of that — and there may be further adjustments — would be of course in line with any changes in the international price of oil.

I think it's fair to say, Mr. Chairman, that the prospects for stability in the international crude oil market are improving on a daily basis. But the incentive pricing proposal is quite separate and apart from that matter and intended to encourage additional sales beyond those which are presently occurring. I won't reiterate for a third time, although the rationale of that proposal and the precise nature of the take-or-pay contract obligations appear to be failing to take hold with the hon. member.

So those would essentially be our comments with respect to the natural gas pricing proposal, Mr. Chairman.

Agreed to:

1.1 — Central Support Services:

1.1.1 — Minister's Office

\$341,767

1.1.2 — Associate Minister's Office

MR. R. SPEAKER: Are we talking about the Associate

Minister of Public Lands and Wildlife? I understand that the problem in the northeastern part of Alberta with regard to the fishermen has not been solved. The minister indicated there was a study, having to look at it, and discussions going on. Has that matter been resolved? I understand that as of this morning one of the persons from northeastern Alberta contacted my office — I haven't the information at my fingertips — and was still quite concerned about the problem they were having.

MR. SPARROW: Yes, Mr. Chairman. Thank you for the opportunity to respond to a couple of other questions too. I'd like to inform the House that after the select committee report on recreational and commercial fishing was done, we had an internal task force of five departments do a fish marketing report for us. As late as last Thursday, I had my assistant deputy minister down to the fresh fish marketing board dealing with their president with reference to some of the problems that affect the fishermen you're talking about, the prime one being freight equalization between the provinces and, secondly, the aspect of increasing the sales of fish in the province of Alberta by increasing their sales efforts.

The problem you're talking about definitely hasn't been solved on a total aspect. All other provinces have had to get into a freight subsidy within their province in order to make the fishing community viable. The fresh fish marketing board has been doing a great job with international marketing. We feel we can help them in the immediate future, in the coming year, to increase our sales in Alberta and intend to do so with the aid of the Department of Agriculture, the Department of Economic Development, and our own department.

The price of fish in Alberta is the problem. The fishery in Fort Chip is open. The problem really is the high cost of freight. Due to having no roads into the area, they can't truck their fish to market. They have to rely on aircraft or the timing of getting that aircraft there. Having a payload is a problem, so even their freight costs are not affixed. The high freight cost plus the low market price slump we're in make it very uneconomical for them to really get out and do a good job of fishing.

We can't walk away from the problem, however. We are addressing it. We anticipate that most of the recommendations that were in the select committee on recreational and commercial fishing will be addressed prior to the fall session and, hopefully, the fish and game Act will be addressed fully in the fall session.

I hate to extend the meeting any longer, Mr. Chairman, but I do have to comment on a couple of other questions raised at the first sitting. I would like to thank the Member for Lac La Biche-McMurray for the compliments he paid to my staff in his remarks. I realize what "associate minister" means: it's second fiddle to the guy who brings in all the funds. When you have a guy like John in front of you, who brings in half the provincial revenue and all the heritage funds, all I do is help spend a little bit of it. The staff that I have are a very enthusiastic bunch, and they deserve the comments from the Member for Lac La Biche-McMurray.

There was one other question, and I talked to the member personally; she's not in the House. With reference to the wolf control program, I have basically explained that to the Member for Camrose, so I won't take up your time on that. There was another question that he brought up, which has been addressed fully, with reference to grazing reserves in Alberta and what we are intending to do there. We are endeavoring to try to

decrease operating costs on our grazing reserves throughout the province by approximately 15 per cent and increase the utilization of them by another 15 per cent. In the long run, we're looking at the aspects of having grazing associations take over some of the mature grazing reserves.

I would also like to agree with the Member for Edson who talked about the recreational potential of the area with reference to fish and wildlife. We agree that indeed, the recreational potential in this province is one we certainly have to support, and I'm looking forward to doing my part within my jurisdiction.

Thank you, Mr. Chairman.

Agreed to:

1.1.2 — Associate Minister's Office	\$165,182
1.1.3 — Deputy Ministers' Offices	\$760,493
1.1.4 — Government Relations	—
1.1.5 — Internal Audit	\$401,810
12 — Financial Services:	
12.1 — Financial Accounting	\$3,942,398
12.3 — General Services	\$4,462,596
12.6 — Financial Management	\$105,147
12.7 — Financial Planning and Control	\$727,112
13 — Administrative Support Services:	
13.2 — Personnel Services	\$2,235,642
13.4 — Information Services	\$1,059,520
13.5 — Public Affairs	\$135,776
13.8 — Computer Services	\$4,752,525
14.1 — Legal Services	\$162,288
14.2 — Scientific/Engineering Services	\$1,943,504
14.3 — Energy Resources Research Fund	\$130,459
14.4 — Economic/Financial Services	\$1,051,334
14.5 — Energy Conservation	\$1,687,463
14.6 — Administrative Support	\$158,547
Total Vote 1 — Departmental Support Services	\$24,223,563
2.1 — Program Support	\$610,106
2.2 — Resource Evaluation	\$11,732,905
2.3 — Resource Planning	\$939,504
Total Vote 2 — Resource Evaluation and Planning	\$13,282,515
3.1 — Mineral Dispositions	\$8,446,494
3.2 — Mineral Revenue	\$5,209,653
3.3 — Oil and Gas Service Industry Incentives	—
3.4 — Financial Assistance for Alsands Project	—
Total Vote 3 — Minerals Management	\$13,656,147
4.1 — Program Support	\$29,129,590
4.2 — Forest Land Use	\$6,463,969
4.3 — Reforestation and Reclamation	\$9,169,282
4.4 — Timber Management	\$7,016,936
4.5 — Forest Protection	\$23,353,011
4.6 — Forest Research	\$966,956
Total Vote 4 — Forest Resources Management	\$79,099,744
5.1 — Program Support	\$4,872,741
5.2 — Land Disposition	\$2,189,559

5.3 — Land Management	\$11,971,506
Total Vote 5 — Public Lands Management	\$19,033,806
6.1 — Program Support	\$3,388,203
6.2 — Wildlife Services	\$6,000,967
6.3 — Fisheries Services	\$5,705,443
6.4 — Field Services and Operations	\$9,464,105
6.5 — Public Information and Extension	\$926,434
6.6 — Habitat Protection Services	\$1,195,958
Total Vote 6 — Fish and Wildlife Conservation	\$26,681,110
Total Vote 7 — Oil Sands Equity Management	\$1,026,012
Total Vote 8 — Foreign Ownership of Land Administration	\$462,952
Total Vote 9 — Surveying and Mapping Services	\$9,872,579
Total Vote 10 — Petroleum Incentives	\$9,564,440
Total Vote 11 — Oil Sands Research Fund Management	\$3,478,000
Total Vote 12 — Petroleum Marketing and Market Research	\$6,355,600
Department Total	\$203,736,468

Supplementary Estimates of Expenditure (A) 1983-84

Agreed to:

3.3.1 — Administrative Support	\$410,000
3.3.2 — Well Servicing Incentives	\$10,000,000
3.3.7 — Development Drilling Incentives	\$70,000,000
3.3.8 — Pipeline Servicing Incentives	\$10,000,000
3.3.9 — Battery Servicing Incentives	\$10,000,000
Total Vote 3(a) — Minerals Management	\$100,410,000

MR. CHAIRMAN: I understand we can't proceed with these because there is a motion that has to be moved in the House first. So we'll just leave them now. We'll ask the minister to report the other votes.

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

[Motion carried]

Department of the Environment

MR. NOTLEY: I'm sure the minister probably has a number of questions, but perhaps he might just restate some of the concerns that have come up subsequent to our last consideration of the estimates of the Department of the Environment.

Mr. Chairman, first of all I'd like the minister to take a moment and outline how the government got into this situation where we had the deputy minister assuring people in November, I believe — I'm just looking for the communiqué here — that Chem-Security's record of compliance in other states and provinces has been excellent. Given the problems of the group of companies in the ambit of that particular firm, I found Mr. Kupchanko's

statement, if I'm not mistaken, rather hard to reconcile with the facts. It seems to me that when you've got a company that has been involved in almost every conceivable breach of the law as far as environmental standards are concerned in other jurisdictions, when the allegation has been made that they were even bribing the Teamsters union, one really has to wonder what in heaven's name we're doing concluding that their record of compliance has been excellent. I think we might want to explore that issue sometime tonight.

Mr. Chairman, with respect to *Hansard*, page 752, we raised the question of "comprehensive investigations of what went wrong at Lodgepole", rather than looking at things in isolation. Surely one of the lessons to be learned from Lodgepole is what happens when we have a sour gas blowout of that scale were such a blowout to occur immediately adjacent to a heavily populated area. Of course the wells close to the city of Calgary are an excellent example. My colleague and I just reiterate the points we've made for some time that we think the time has come for a province-wide investigation or set of hearings into the sour gas industry in the province. I'm sorry I missed the opportunity to discuss the hon. Minister of Energy's estimates, but I gather there was some discussion that occurred on that matter.

It seems to me that if we're getting into the Brick Warehouse approach to selling natural gas to the United States, it really does raise the issue of to what extent we want to bring in more sour gas, especially adjacent to population areas, in the absence of some sort of clear-cut set of guidelines. Having some experience, Mr. Chairman, with public concern on the sour gas issue in my own riding, as the minister would know, and having met on a number of occasions with people in his constituency — talking to people like Andy Russell who's concerned about the Quirk Creek plant west of Calgary, not to mention others — it seems to me that we have to look at some kind of comprehensive policy rather than our tendency to examine each of these matters in isolation.

Mr. Chairman, I'd like to know where things now stand on the Snider report, that is technically under the jurisdiction of the Department of Social Services and Community Health. But because it is a report into the health effects of the Pincher Creek sour gas or the decommissioning of the Gulf plant situation and the impact of gas production in that area of the province, I'd like to know when we can expect that report to be made public.

Mr. Chairman, there are a number of other issues I'd like to raise dealing with other items of the Department of the Environment, but so we don't trip over ourselves and take too many issues at once, perhaps we can just deal with those. Then I'd like to move a little to the north of the province and deal with some of the issues there.

MR. BRADLEY: Mr. Chairman, with regard to remarks by an assistant deputy minister, I believe the assistant deputy minister was referring to Chem-Security as a company by itself and its record in terms of compliance. From that point of view, that particular company has had an excellent record.

With regard to Lodgepole and that incident, there is the ERCB inquiry. I did spend some fairly extensive time in the House on Friday, May 6, discussing particularly the sour gas industry from my perspective, and there was the opportunity tonight to discuss it with regard to the ERCB. I think I went over quite a bit of material then, and I refer the hon. member to those remarks.

With regard to Dr. Snider's study, that was commissioned by the Department of Social Services and Community Health. To the best of my knowledge, it will be available shortly.

MR. NOTLEY: Mr. Chairman, just to follow those remarks, we are told that the Snider report is due shortly. But as I recall our discussions during the spring session we were advised, I think in March, that we could expect this report by the end of March. We were then told it would not be until somewhat later. We now have a session that is going on for much longer than many people predicted at the beginning of the session, and the minister says he expects it shortly. What's shortly — two weeks, a month? The minister is also the MLA for the area. It seems to me we should know whether the Snider report will be tabled before the likely end of the House, which I gather will be around the time that these people take off to Ottawa to knife Joe Clark in the back. I would like to know from the minister just exactly what "shortly" means. As the MLA for the area and, I'm sure, a person who is part and parcel of Dr. Snider's appointment — and I can't imagine that the former minister would not have consulted closely with the current Minister of the Environment, the Member for Pincher Creek-Crowsnest, on Dr. Snider's appointment — I think the minister should be in a better position to tell us in a little more definitive way when we might expect some response on that item.

I don't really think it's good enough for the minister to say: but my assistant deputy was only referring to Chem-Security in the absence of any recognition of the corporate ownership which was in place at the time. If this is a government that's on its toes at all, it seems to me that there has to be some way of checking out the corporate links. An individual company can have the best record in the world, Mr. Minister, but if the controlling interest is taken over by another firm which does not have a good record, inevitably the balance will shift and we're going to find changes in the corporate behavior of the company, which in this particular case had a good record. It seems to me that the record of the parent company, or at least the companies associated with the parent company as well as the parent company, should have been relevant at the time the assistant deputy made his statement. I am just not satisfied with the minister standing and saying that it's just a question of dealing with Chem-Security and not the controlling interest.

I'd like to move from there, Mr. Chairman, and deal with some of the environmental issues in northwestern Alberta, in particular the concerns of ranchers along the Wapiti River. I raised these matters in question period, but the estimates will give us a little more opportunity to look into them in some detail. I remember in 1970 when the debate raged over Proctor & Gamble being given permission to build a pulp mill in Grande Prairie. At that time, there were some pretty definite commitments made by that large international company that the water quality would be fine. As a matter of fact, in 1970 some even suggested the water below the mill would be better than the water above it.

There were two sets of incentives, as the minister may recall. One was money paid to Proctor & Gamble under the DREE program, a direct federal government incentive. The other was funds the province of Alberta put forward to help P & G with their pollution control installation. As I recollect, Mr. Chairman, total federal and provincial funds were \$11,200,000, I believe: \$8 million

from the federal government and \$3,200,000 from the province. In addition, I think P & G was able to extract \$1 million from the county of Grande Prairie for hard surfacing the road out to the P & G mill. I remember that one of the people who had a brief flirtation with the Tory party led a petition in the county of Grande Prairie against that particular project — one of the few times I agreed with a Tory.

Nevertheless the fact of the matter is that a large amount of the money to build that mill was advanced directly from the federal, provincial, and local public sector. In addition, P & G was given a vast area of territory south of Grande Prairie in the central Peace, and a huge area in the Clear Hills north of Worsley; in total I think a land area about half the size of the province of New Brunswick.

Mr. Chairman, I wanted to sort of trace that background because when the public commitment to P & G was made in 1970, there was some considerable controversy about how wise an investment it was and some concern expressed, especially by people in the vicinity and downstream, about the water quality on the Wapiti River. Well, Mr. Chairman, what has happened? In the intervening period of time, we have seen the water quality so deteriorate that the town of Peace River had to go to considerable expense to change their intake system for the town water system, which cost a lot of money. We now have complaints of many ranchers in the Grande Prairie area about the water quality and the concern they have that stock which have normally been able to water on the Wapiti River have become sick as a consequence of drinking the water downstream from the mill. We're told by P & G that there's nothing they can do about it. Of course, they didn't say that before they went in there in 1970; they say that now.

So perhaps the minister could take the opportunity in estimates to bring us up to date on just where things stand. The minister was in Grande Prairie the other day. I happened to be there the day following him, and he was quoted as saying that the licence will be renewed shortly. We'll deal with other questions in a moment, but I would ask if the minister could outline to members of the committee what conditions, if any, the government intends to attach to the renewal licence for P & G to ensure that there is better water quality on the Wapiti River.

MR. BRADLEY: Mr. Chairman, with regard to Dr. Snider's report, it was a study commissioned by the Department of Social Services and Community Health. I would respectfully suggest that questions with regard to that matter should be addressed to the minister who commissioned the particular study.

With regard to a statement made by the assistant deputy minister with regard to Chem-Security, I can only repeat that I have discussed the matter with him. His response to me was that his remarks were with regard to Chem-Security and were not meant to include Waste Management, although they were reported as such.

With regard to Proctor & Gamble's renewed licence, I think I explained to the House that I intended to review that particular licence prior to its reissue. Until I've completed that review, they will be operating under their current licence. Certainly as part of a new licence, we would be looking at improved water quality in the Wapiti River, particularly with regard to a color standard. That will be part of a new licence. There are increased production capacities in the plant, but we will require the company to meet the previous standards. There will not

be a decrease in those standards due to increased production.

MR. NOTLEY: Mr. Chairman, perhaps we could just explore that for a moment. Could the minister then tell the committee at this stage exactly when the licence is up for renewal? The minister says they will continue to operate under the present licence until this review has been completed. Would the minister also outline precisely on what basis that review is being made? Is it an in-house departmental review? Is it a review by the assistant deputy and the minister? Who is doing the review? What is the process by which the review is occurring? Would the minister also tell us whether he can comment on the observations of P & G that they are technically not able to improve the effluent control? That certainly is a statement that's been attributed to that particular company in the north. I'd like to know whether there's been any preliminary assessment of it. It seems to me that there ought to be some way of controlling it.

The fourth thing, Mr. Chairman, is whether or not the government has considered that as a condition attached to a licence for renewal — keep in mind that we are not dealing with a little company. We're dealing with a major company, so let's not get caught up with farmer Jones' brushpiling operation or Sam Smith's sawmill. We're dealing with a large international company that has an area half the size of New Brunswick under a very attractive leasing arrangement with the provincial government. And it seems to me that it's not unreasonable, as one of the conditions attached to reissuing a licence, that even if technology is not immediately in place, we set out certain conditions to invest in technological research to improve effluent control. I would like the minister to perhaps comment on that option.

MR. CHAIRMAN: I believe the hon. Member for Edmonton Norwood has some questions. Did the minister wish to take them separately?

MR. MARTIN: I've got a number of things from previously, but I'll go into one area. I have a number of other things, but I know the minister didn't get a chance to answer some of the questions I asked the previous time his estimates were up. I would like to go into the Kinetic area again and ask some specific questions that I asked last time.

First of all, on at least one occasion and possibly more, contaminated water was trucked away for disposal. We know that. I was asking the minister — and I'm repeating the question from the last estimates because I haven't got the answer — where was it disposed of? Why is the problem of this flooding not being corrected? It's our understanding that it isn't.

Continuing with Kinetic: offsite contamination is impossible if there is a requirement for a perimeter dam. But it's our understanding that there is no such dam required at Kinetic. Given the evidence of offsite contamination that even the minister's officials agreed was there, why no perimeter dam? It seems to me that this would be an obvious first step.

Another question is the proper disposal of dangerous chemicals such as PCBs. In view of the well-publicized fact that Kinetic is having serious financial problems — they can't get rid of the PCBs they have now. Where are they going to get the millions of dollars? I'd ask the minister to comment on Kinetic's financial problems, because this is certainly going to have a bearing on what's

already there.

The fourth question dealing with Kinetic is the specific problem that we're still transporting, it's my understanding, hazardous wastes from all over Canada — as far away as Newfoundland. When we get into the transportation of hazardous wastes into the city, that's an entirely new problem. In view of all the problems we're having at Kinetic, why are we still bringing hazardous wastes into this province and, specifically, the southern part of this city?

The other question I asked was generally about PCBs. I quoted to the minister — I know it has been a while since his estimates were here — about one of the ministers, Mr. Sparrow, who was talking about PCBs and that they weren't really dangerous. He'd worked up to his arms with them — I quoted that — and it was something we shouldn't be concerned about. I asked the minister if this was really government policy from this particular minister.

If it is, I'm very concerned. Because the information — I think the minister would agree — is very clear about the danger of PCBs. Anybody who makes that statement just doesn't understand about them. It is true that we all have some PCBs in us. But it's a cumulative effect. The research indicates that there is no safe level for animals, and we don't know what it does to humans. So we have to be concerned about it. It's clear from most of the reading that most scientists are coming to the conclusion that [PCBs] are an agent of cancer and that no safe level has been found. So I hope — and I'd just get some clarification from the Minister of the Environment — that Mr. Sparrow was not talking for the government in regard to PCBs when he made that statement and that that was just a private member's statement, however ill-informed.

I'll stop there. There are a number of other issues, but I think we might get a little confused. Would the minister like to go back to those areas.

MR. CHAIRMAN: Perhaps the hon. member would like to complete his remarks at this time.

MR. MARTIN: No, I'd like to get the answers on this because I may want to follow up, Mr. Chairman.

MR. BRADLEY: With regard to my intention to personally take a role in the review of the Procter & Gamble licence: the department's review has taken place and discussions have been going on with the company for a period of years. It's my intention to meet with company officials, have a look at the plant, and meet with representatives of the Peace River Stock Growers' Association and some of the people affected downstream. I've had input from the MLAs in the area. After having done that review, I'll look at the licence conditions and see whether they fit the context of the concerns I've received and take into consideration the input I've received this evening from the Member for Spirit River-Fairview in regard to the technology aspect.

MR. NOTLEY: Mr. Chairman, on a supplementary, so we don't end up jumping back and forth to subjects. Perhaps we could just take a few moments. I have some supplementary questions.

Mr. Chairman, the minister says he will take a personal part in the review. Would the minister outline to the committee what the expiry date is now of the licence and how long the process of review is envisaged to take? Then

I want to explore the technological aspect in a slightly different way in a moment. But let me just ask those two questions.

MR. BRADLEY: The current licence is due to expire on June 1 of this year. It would be my intention to have the existing licence renewed beyond that June 1 period until such time as I've completed the necessary review. As I said, I personally want to have a look at the plant site and meet with individuals concerned in the area, some of the civic officials, et cetera, prior to having a new licence issued.

MR. NOTLEY: Mr. Chairman, to the minister. Is that renewal of the licence on a month-to-month basis, week-to-week basis, or an indefinite extension of the licence?

MR. BRADLEY: No, Mr. Chairman, it wouldn't be an indefinite extension. It would probably be on a monthly basis until I've had the opportunity to do the things that I wish to do. So it may be a one-month extension initially, and it may be a further month's extension depending on the time it takes me to do the necessary review.

MR. NOTLEY: So, Mr. Chairman, since the licence expires on June 1, we're going to have an extension of the current licence until July 1 and perhaps August 1. Is there any danger that with holidays and other things that come along, in fact August 1 becomes September 1, September 1 becomes October 1, and the process of sitting on the fence continues and we won't in fact have a clear-cut position by the minister? Will the minister assure the House that before we reconvene in the fall, there will be a definitive position on this matter and that it won't just be a month-to-month proposition?

MR. BRADLEY: Yes to that, Mr. Chairman.

If I could continue — unless the member has a further question.

MR. NOTLEY: Mr. Chairman, I really think that one of the things I want to underline are some of the concerns that people in the Peace have about the water quality on the Wapiti River. About 10 days ago, I spoke in Grande Prairie to the Peace River region of the engineers, geophysicists, and what have you. Among the people present were quite a number of employees of Procter & Gamble. Naturally, the question of effluent control was raised.

It seems to me, Mr. Chairman, that despite the arguments the minister will get when he travels to Grande Prairie that there really isn't much we can do about it because we have already researched the matter carefully and there's nothing we can do about the color of the water — even if that is correct from the standpoint of existing technology — if we are talking about a renewal of the licence for a period of years, and perhaps the minister could outline to the committee how long a period the government foresees this licence being renewed for, then it's not unreasonable that as one of the conditions attached to the renewal of the licence, we simply say to a large firm such as P & G that there is a price, a *quid pro quo*, for all the concessions which have been granted to make it possible to build the mill, and that is that the company must make a reasonable investment in effluent control research, to improve the control procedures, even where there may not now be a control system in place or one that is feasible. We're never going to improve effluent control or environmental control measures unless we

place some strictures upon these companies. Necessity is the mother of invention. And it seems to me that when the minister sits down with the officials of P & G, he should make it very clear that if that licence is going to be extended for some period of time, for some period of years, that we expect that company, as a trade-off, to make an honest effort to go beyond what they've done in the last 12 years on effluent control in the Wapiti River system.

MR. BRADLEY: Mr. Chairman, the period of licence renewal that is envisaged is five years, and I'll take into consideration the observations of the Member for Spirit River-Fairview.

With regard to the comments of the Member for Edmonton Norwood, he mentioned the question of a dike around the Kinetic Ecological Resource site. As I understand, the liquid PCB storage facility is in a warehouse, and a berm within the warehouse facility undertakes the safety measure the hon. member is suggesting. However, I will take under consideration his observation and consider what he has brought forward.

He mentioned the question of importing wastes into the province. It has never been the province of Alberta's policy to encourage the importation of these materials into the province of Alberta, and that is well known and has been stated in the past. However, the situation we have is that constitutionally, under the interprovincial trade power of the Constitution, I believe, we have no legal means by which we can restrict importation of these wastes. With regard to legislation we have in place, we are looking at a compulsory manifest system, in terms of having knowledge of where these materials and substances are going and how their ultimate disposition is being handled. Currently that's being handled on a voluntary basis, and I expect we will have regulations in place on the manifest system shortly.

The hon. member mentioned his concern with regard to PCBs, and I share his concern, although I think he and I have perhaps come to different conclusions in reviewing the literature which has been presented to us. I can only say that the hon. Member for Wetaskiwin-Leduc was probably speaking on the basis of personal experience. He was in the Assembly a few minutes ago, and he looked like he was in fairly good shape. But if the hon. member has information, material, and literature with regard to the concerns he has brought forward on PCBs, I'd be more than happy to refer it to the Hazardous Chemicals Advisory Committee for their review and comment.

MR. MARTIN: Just to follow up, I'd be glad to do that at some point.

Just so I'm clear, are we saying that we have absolutely no choice in terms of these hazardous wastes that are still coming to Kinetic, that this is part of some sort of constitutional — you said interprovincial trade. What are we trading for the wastes? I'm sort of wondering about that. As a province, have we no say over this?

That ties into the second part of the question that the hon. minister missed, and that has to do with the financial capability of Kinetic. I don't know how much — maybe the minister can upgrade me on it. It seems to me that with what they have there right now, it would probably cost millions of dollars for disposal. Of course, the Kinetic financial problems were well publicized, and I wonder if we could get an update on that. If they don't have the money or the ability to get rid of what's there

right now, then it seems to me that we do have some problems. Surely there must be some way to say to other Canadians at this point, at least for the time being, until we get the new plant the minister is looking into, that this shouldn't be coming in because it's very dangerous.

About the perimeter dam, I suggest that the perimeter the minister is talking about isn't working, because we know there's some evidence of off-site contamination. That's been confirmed, both by our tests and by the tests conducted by the Department of the Environment. It's my understanding that a perimeter dam would be necessary and is necessary in any modern disposal unit that we have at Kinetic. So I suggest that the minister take a look at that, because if that perimeter dam was there, we wouldn't be having the off-site contamination.

SOME HON. MEMBERS: Question.

MR. NOTLEY: We have a number of other questions, so be patient, hon. minister.

MR. BRADLEY: I said I would take the perimeter diking question under consideration and review that matter. The information I have is that although this matter has been discussed at the Canadian Council of Resource and Environment Ministers with regard to special wastes and their handling — I'm relating to the hon. member information I received which obviously had been discussed prior to my being appointed minister. But the question has been raised. The ministers themselves agreed that each individually would rather see the wastes handled within their own jurisdictions and certainly would not encourage the importation or export of these materials from their various jurisdictions. I might point out that on occasion individual corporations in this province have shipped materials out of the province and out of the country to be properly disposed of. That has occurred on occasion, but we have no legal means at this point in time that I'm aware of with regard to preventing importation of these materials into the province.

MR. MARTIN: I'm still not sure about the financial capabilities. Can the minister upgrade us on that, because that certainly is one of the issues. If the company is having financial problems, Mr. Chairman, then we should know about it, and I'd like the minister to update us on Kinetic's financial status.

MR. BRADLEY: What I am aware of, Mr. Chairman, is that the company was reorganized late last year — I'm not sure of the exact date — and they have been attempting to locate a facility that would destroy PCBs. I believe they are negotiating with an American corporation with regard to a certain method of destroying PCBs. They have been exploring that, and they're looking for a site to put that particular destruct facility on. So the best update I can give the member at this time is that they've had a reorganization and, as far as I'm aware at this point in time, they're financially sound.

MR. MARTIN: I'd like to go into a couple of other areas. We'll be watching Kinetic, you can be assured, with interest.

This has to do again with Shell and Gulf at Pincher Creek. It's my understanding that the previous minister assured the Legislature that information would be publicly available in regard to the Shell and Gulf Pincher Creek plants. But our understanding is that when private indi-

viduals tried to obtain that information, they were unable to get it. I ask the minister if he could or would table in the Legislature this session the following three monitoring reports: number one, all air and water monitoring reports for both Shell and Gulf Pincher Creek gas plants over the past five years — I'm sure the minister has that information; number two, all air emissions monitoring from Syncrude and Suncor over the past two years — that ties in partly with what the Member for Edmonton Glengarry was talking about; and all air emissions monitoring reports from the Dow Chemical and Diamond Shamrock plants at Fort Saskatchewan during the past two years. I would ask if the minister could give us that information and table it this session, because it's my understanding that the previous minister said that he could.

I have one other area to cover very quickly, and that's the Water Resources Commission — Mr. Kroeger. Because the Water Resources Commission goes into many areas, and certainly environment is an important part of it, are there any representatives of provincial environmental organizations on the commission? I'm thinking of people like the Alberta Wilderness Association and the Fish & Game Association. If there are not, I'd ask why.

I mentioned this before. I do get the *Hanna Herald*, in which I see many of the pro arguments of dam building and water diversion, and there are some of them. I read it in the *Hanna Herald* all the time, because I get that paper. But I never see the cons, and this is why I'm asking specifically about environmental groups on this. There are pros and cons to this argument. That's why I think it's important to have some representatives from environmental groups. I would ask the minister if there are any environmental groups on that. Could I get some comments on those two areas?

MR. BRADLEY: With regard to the reports the hon. member requested, I'll certainly undertake to provide the information the hon. member requested, the department's monitoring of all, I believe, six companies. I'll attempt to get it in this session. It may take some time to compile, but I'll get it to him as quickly as the department is able to compile this information, and go back into their records in some cases.

With regard to the Water Resources Commission, that estimate is under a different appropriation than the Department of the Environment. Also, as I understand, the Water Resources Commission legislation will be up for debate in the Legislature this spring. It may be appropriate to ask the question at that time. In terms of whether or not there is a representative of an environmental organization in the province on the Water Resources Commission, I do not believe there is in that sense. There is a representative of the Department of the Environment on the Water Resources Commission.

MR. NOTLEY: I'd like to take this opportunity to review questions on May 18, 1983, in the Oral Question Period. We're always being advised by the Speaker that we shouldn't inject debate into the question period. So, cognizant of that stricture, the place to raise issues that may have more of a debating flavor is in the estimates of a department. Mr. Chairman, I refer the Minister of the Environment to pages 1048 and 1049 of *Hansard*. It's with respect to the licences for Suncor and Syncrude which, as I understand, are to be renewed this June. Mr. Chairman, I'll just read several of the minister's responses and go from there.

MR. BRADLEY: Mr. Speaker, as I already stated,

Suncor has undertaken a considerable amount of work with regard to making improvements. The department felt we would require further information with regard to their operating practices and further improvements, and that's why the directive was issued at this time.

Then my supplementary question:

Given the substantial increase from \$20.67 to \$40.55 in price per barrel of Suncor oil from 1981 to 1982 as a consequence of the energy agreement, and the additional \$248 million Suncor made in 1982 due to the increased price, will the minister now direct the company to install in its plant the best available technology for emission control?

Mr. Chairman, the minister says:

Mr. Speaker, the practice of the government of Alberta with respect to pollution control and the licences that are issued to companies has been to follow the practice that we would require them to have the best practical pollution control technology installed. At the time the plant was started and operation was originally improved, I believe that requirement was met.

Mr. Chairman, I'd just like to take a moment and reflect upon this matter as we consider renewing the licences. When Syncrude was announced in the fall of 1973, the minister will recall that the price of oil at that time was a little over \$3 a barrel. I remember the discussion that took place in the House in those years. The Foster consultants' report projected prices which, quite frankly, Mr. Chairman, in retrospect were extremely cautious, underestimates in the extreme on the price of oil. By now, if my memory serves me right, I think we should be somewhere in the neighborhood of \$10 a barrel, using the Foster study as a guideline.

In 1973 to 1975, it would have been possible for Syncrude to have installed not only the best technology at the time they got the okay to proceed, but clearly the best possible technology which would reduce substantially the emissions of sulphur dioxide in the air. I remind the minister, Mr. Chairman, that in the intervening years, despite the pause in prices which has occurred in the last few months, we have seen an increase in the price of petroleum undreamed of by any of the promoters of Syncrude in 1973, and certainly beyond the wildest dreams of those who promoted Suncor when it was the old Great Canadian Oil Sands project in 1965 — a totally different situation. Is it so unreasonable, given a pricing scenario which has changed totally, to expect those companies to install the best possible emission control technology?

Mr. Chairman, for a short period of time, Suncor may have had an argument. They found themselves getting less than the world price. But as of the energy agreement of September 1981, Suncor was given the same access to world price that Syncrude received, and there was this huge increase in company revenue during that period of time. I simply say, Mr. Minister, that with that kind of increase in revenue — I've had the figure cited to me that the best possible emission control technology would cost \$2 a barrel. Here we had a price a little over \$20 a barrel in 1981, now a price of \$40 a barrel: an increase of \$20 a barrel. Is it that unreasonable that companies operating in this province that have received a price increase beyond any expectation of the promoters inside or outside the House, should not be required to install the best possible emission control technology?

We had some discussion the other day in the House

about the problems of fishermen in the Fort Chipewyan area and whether these particular Albertans, hard-pressed as they are as a result of the devastation of their fishing last year, would be coming to Edmonton and dumping their fish. Part of the problem is pricing. I am aware of the concerns of inland fishermen and their frustration with the marketing of fish. But part of that problem, too, is because of the pollution of the Athabasca River system. The allegation has been made, and in the absence of any contrary evidence, it seems to me that a pretty strong case can be made that there is a link between the problems the fishermen faced in the Fort Chipewyan area last year and the pollution of the Athabasca system by improper emission control by those two companies at one time or another.

Mr. Chairman, we are dealing with both of them. At one time or another, there have been repeated infractions of clean air and clean water legislation in this province by Syncrude and Suncor. Having had an opportunity to talk to Chief McDonald of the MacKay community north of Fort McMurray and to visit that settlement and discuss with the band council their frustrations about the water quality on the Athabasca River — we've just been talking about water quality on the Wapiti River system, and that's a matter of concern in the northwest — it is certainly no small amount of concern to people in Fort MacKay.

Mr. Chairman, no matter how you cut it, this all comes back to whether these companies are going to be forced to install the best possible technology. What the minister seemed to be saying in question period was that when they engineer a project with the best practical technology — regardless of what happens to the price, regardless of what happens to the advance of technology, regardless of the ability of these companies to lessen particulate emissions into the atmosphere or to control their emission into the river system — once they've gone through this process and made their initial investment, it is frozen for all time, and no changes can be made.

Mr. Chairman, the minister knows perfectly well that no business can stay in business unless it continually upgrades its capital and improves its production process. Surely that also has to include pollution control. Just because it is not directly related to the balance sheet on a profit-and-loss basis doesn't mitigate the fact that the company should be searching for better methods, and that as better methods are found to control particulate emissions, the government should not be insisting upon upgrading the pollution control equipment, even if that's going to mean added investment.

We have all kinds of people telling us that we've got to create work for engineers by building this big dam on the Slave River and what a great thing that's going to be. I'll tell you, Mr. Minister, if we force Syncrude and Suncor to upgrade their pollution control technology and install better equipment, that's going to provide jobs and it's going to provide engineering opportunities as well.

I would simply say that as I review what has happened (a) to the price and (b) bearing in mind the whole litany of problems we've seen on the Athabasca system, both the river system as well as the environmental difficulties — and the breaches have been continuous — there really is no excuse why this government is not prepared to insist that the best possible technology be used on emission control in the Fort McMurray area. I welcome a response from the minister on those observations.

MR. BRADLEY: Just briefly, Mr. Chairman, perhaps we could go through what happened to Suncor when they applied to expand productive capacity, which meant a considerable investment by them to increase their capacity. We also get into economics: what it takes to make a plant viable, return on investment, and when they actually recoup their initial investment in terms of these very large scale projects, which I am sure the hon. member is very well aware of.

When Suncor applied to expand their operation, there were a number of conditions put on that expansion. Perhaps it may be useful to outline them briefly, in terms of the improvements for air quality. External boilers were added to the amine plant to prevent unit shut-downs, which is an improvement. A common third-stage sulphur recovery converter was added to the sulphur plant to increase recovery efficiency from 94 per cent to 96 per cent. A system to allow the processing of sour water stripper gases in the sulphur plant was added, and a second hydrocarbon flare stack was added. Also, Suncor was told that they could not increase the amount of their licensed emissions, even though they had this considerable expansion and increase in production capacity. So the sulphur inlet throughput was greater, but they still had to meet the same standard. Those conditions were looked at, in terms of the expansion of that plant.

Similarly, with regard to their water quality standards, they were not allowed to increase the amount of substances they could discharge in their effluent into the Athabasca system. They were kept at the previous level, even though there had been an increase in production. Since a water quality order was issued to Suncor last year, I am aware that they have engaged in an expenditure of I believe around \$14 million in terms of their wastewater clean-up.

So we do look at these things, but we also have to look in terms of an initial undertaking and commitment which was made at the time these plants were approved to proceed. A corporation, particularly in terms of these types of ventures, requires some assurance that there won't be any changes to the rules of the game between their making a commitment to proceed with a project and the construction of that project, and the return which they envisage for a risk investment — and they are risk investments. I think one has to look at the matter of trust between the government and the joint venturers at the time, in terms of the commitments that were made that we weren't going to change the rules of the game with regard to the nature of the technology. The commitment with Syncrude in '73 was that that was the best practical technology at the time with regard to sulphur recovery, which was put in their licence and the approvals which were given.

That trust is very important in terms of attracting industry to the province, which provides jobs for Albertans particularly in the type of investor climate we see in the country today. I don't think it would do a great deal for our image throughout Canada or in the world investment community if we were continually changing the rules of the game and breaking the trust under which some of these projects proceeded.

MR. R. SPEAKER: Mr. Chairman, to the minister. One of the topics that received a lot of discussion in this Legislature a few years ago was the Dickson dam — site 6, I believe. We haven't heard much on that topic for some time. When the Dickson dam was being established, our concerns were with regard to the seepage problems

that could possibly occur. There was sort of a sand fault or layer under the dam and up, and some of the people that did the ground survey or the ground engineering said that a dam on that site just wouldn't hold water. I know the water isn't in the dam at this time, but some of the construction was on the way. I was wondering if the cost of the dam has increased because of more discoveries with regard to that potential problem.

Erosion control, agricultural land: has the agricultural land been purchased from the farmers in the area? Have the settlements been finalized? Have people been relocated on other farms, or has there just been cash settlements with regard to what has happened?

What looks to be the time line at present? When will the construction work be completed? I haven't had the opportunity of being there, but I understand a significant amount of work has been completed. I was wondering if the minister could bring us up to date on that.

MR. BRADLEY: Mr. Chairman, the Dickson dam project is nearing completion. In fact I believe they've started to fill the reservoir itself. I'd have to check into some of the questions which the hon. member has addressed to give him specifics. I'd undertake to get back to him in some detail with regard to purchases of land, what sort of transactions were concluded, what sort of trades were made. If the member wanted, I could give him the details of who got what piece of property.

With regard to seepage, I understand there were some extensive studies undertaken, and there is a very extensive monitoring system that was put in place to monitor that particular question.

MR. R. SPEAKER: Mr. Chairman, the other area I wanted to cover was the Oldman River as such — the locating of a dam and what stage we are at, at the present time. With the heritage fund being depleted and the pressure on funding, I would think this project may not even proceed under the present circumstances. I wonder if the minister has given this project top priority? We need on-stream storage of some kind. Possibly the times are of benefit to the minister, in the sense that his constituency is located in that area. I'm sure building a dam, say at three rivers, would cause certain political problems. Is it still the intention of government to proceed with this project? Have the negotiations with the Peigan Indian Band concluded, or are they close to conclusion at the present time? Will the minister conclude this matter in his term of office, somewhere in the next three years? Will we know whether there will be a dam on stream or not, or will we still be looking at sites at the next election? What is the stage of development?

MR. BRADLEY: Mr. Chairman, I commented on this previously in the House and I'll comment again briefly this evening. Our commitment at the time of announcing the very extensive program with regard to irrigation rehabilitation in southern Alberta was that we would give the Peigan Indians an opportunity to put forward to the province a proposal with regard to the feasibility and desirability on their part to have a reservoir located on their reservation. A number of planning studies were initiated and have come to completion. My understanding is that the Peigans will be presenting their proposal to the province shortly. Of course it will take us some time to review their proposal and, depending upon the acceptability of that proposal, enter negotiations with them. I hope to be in a position no later than this fall, the end of this

year, to make a definitive decision on the siting of a reservoir in the Oldman system. Beyond that commitment this evening — and the hon. member has alluded to the financial position of the province — the decision as to allocation of funds for construction of that reservoir, which certainly isn't in this year's budgetary estimates, would be in future budgetary estimates for the province.

MR. MARTIN: Mr. Chairman, I'm going to do something I hardly ever do. But believe it or not, the Member for Edmonton Glengarry made some pertinent points, and I haven't heard the answers from the minister. That is about the department's failure to enforce its regulations. I know it wasn't this minister, but the previous minister I believe made a statement along the line: we prefer to work with the companies; we prefer to work with the polluters. I'm sure all criminals would prefer to be worked with rather than force policies. The major problem with this is that it creates an atmosphere. If people know the department is not going to enforce the law, the polluters are naturally going to assume the government isn't serious, and they are going to be less vigilant in controlling their own emissions; it's that simple. They can make more money by not putting in the right equipment. So they have to know — just like every person or every criminal — that the department is going to control their emissions, that they are going to do something about the polluters.

I suggest there is a serious credibility problem for the department. It falls into many ways. The last time we were up, I said there is a credibility [problem] with the Department of the Environment with the public at large. I think recent polls would indicate, Mr. Chairman, that people do not believe this government is serious about the environment. I do not blame all this on this particular minister. The previous minister did not have a strong record in this regard. But regardless of whose fault it is, if you look at studies, I think it's one area the government falls down badly on in terms of credibility with the public. It's because of statements like this. They believe big companies can do what they want. And I think there is some evidence to go back on that.

I think it hurts, too, in terms of getting people into government service. Most people who want to work in the environment are very serious about it; they are well trained. And if they do not believe the department is serious, the best people are not going to apply for the jobs. I think it's that clear. So the minister has to recover a credibility problem and to work at that very much. I ask the minister, as part of his analysis, if that's changing, if he believes we're seriously going to go after polluters the same as the government would any other person who is breaking the law. If the companies know the government's going to do this, and people in the public know the government is serious, I suggest this minister can turn that perception around. But if we go on like we have over the last four or five years, then nobody is going to believe that the government's serious about the environment at all.

The second question I'd ask — and this is an organizational problem for the government — is when will the dam builders ... It seems to me we have a bit of a problem here. We're a bit schizophrenic in this department when we have dam builders — which I believe should be shifted to a construction oriented department — as part of the Department of the Environment. I think it's schizophrenic, because that is what people who are trained as engineers, as dam builders, are going to see.

Surely that's not the appropriate place to be, in terms of the Department of the Environment. I wonder if the minister or the government is looking at switching this to another department. Again, I think it's part of the overall credibility problem. I'm not blaming the people who are the dam builders. That's what they're trained to do, and there's role for them. But I suggest it is schizophrenic to put that as part of the Department of the Environment, whose concerns should be very different. I leave those two questions with the minister and wait for his comments.

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. APPELBY: Mr. Speaker, the Committee of Supply has had under consideration and reports the following resolutions:

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1984, sums not exceeding the following for the departments and purposes indicated:

For the Treasury Department: \$3,159,100 for departmental support services, \$2,250,700 for statistical services, \$90,874,200 for revenue collection and rebates, \$36,452,600 for financial management, planning and central services; and also for the Treasury Department, to be transferred to other votes pursuant to the Treasury Board directive, [\$110,000,000] for salary contingency.

For Executive Council: \$22,160,000 for energy resources conservation, \$334,676 for public service employee relations.

For the Department of Energy and Natural Resources: \$24,223,563 for departmental support services, \$13,282,515 for resource evaluation and planning, \$13,656,147 for minerals management, \$76,099,744 for forest resources management, \$19,033,806 for public lands management, \$26,681,110 for fish and wildlife conservation, \$1,026,012 for oil sands equity management, \$462,952 for foreign ownership of land administration, \$9,872,579 for surveying and mapping services, \$9,564,440 for petroleum incentives, \$3,478,000 for oil sands research fund management, \$6,355,600 for petroleum marketing and market research.

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, tomorrow the first order of government business would be government motions 17 and 18 on the Order Paper, followed by Committee of Supply, continuing with the Department of the Environment and, if there's time, the Department of Hospitals and Medical Care.

I could indicate, Mr. Speaker, since we're so far into the week because of the long weekend, that on Thursday night it's not intended that the Assembly sit. I mentioned that as a possibility last week, and I am able to confirm for hon. members that that is the situation.

[At 11:22 p.m., on motion, the House adjourned to Wednesday at 2:30 p.m.]

