

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, November 2, 1983 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 218
Alberta Lands Inventory and
Protection Act

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill No. 218, the Alberta Lands Inventory and Protection Act.

The basic principle contained in the Alberta Lands Inventory and Protection Act would be to achieve two goals: it would establish an inventory of all land in Alberta, categorized according to its agricultural capability; and it would create a series of land reserves, the most important effect of which would be the preservation in perpetuity of agricultural land.

[Leave granted; Bill 218 read a first time]

Bill 90
Health Occupations
Amendment Act, 1983 (No. 2)

MR. KING: Mr. Speaker, I beg leave to introduce a Bill, being the Health Occupations Amendment Act, 1983 (No. 2).

The purpose of the Bill is to schedule nursing assistants, rehabilitation practitioners, and acupuncturists as designated health occupations under the Act. In addition, because nursing assistants will now be designated under this Act, the Nursing Assistants Registration Act is repealed.

[Leave granted; Bill 90 read a first time]

Bill 222
An Act to Amend the
Land Titles Act

MR. NOTLEY: Mr. Speaker, I'd like to introduce Bill 222, being An Act to Amend the Land Titles Act.

The basic principle of Bill 222 would be to require every person buying or holding land in Alberta to file with the registrar of the Land Titles Office a statement of that person's residence, and whether or not they are a Canadian citizen. The Bill would also require that every year, the registrar prepare a report that would show the extent of foreign land holdings in the province of Alberta.

[Leave granted; Bill 222 read a first time]

Bill 221
Freedom of Information
and Personal Privacy Act

MR. MARTIN: Mr. Speaker, I beg leave to introduce Bill No. 221, the Freedom of Information and Personal Privacy Act.

This Bill is modelled on a private member's Bill originally introduced in the House of Commons by former Peace River

Conservative MP Ged Baldwin. It would compel the government to make available on request a record of public business, with only a few exceptions. The government's refusal to produce material requested could be challenged in court, with the final decision left to the judge.

Mr. Speaker, we think it's appropriate to introduce this at this time because of yesterday's debate over ...

MR. SPEAKER: Order please.

[Leave granted; Bill 221 read a first time]

Bill 233
Children's Rights Act

MR. MARTIN: Mr. Speaker, I beg leave to introduce Bill No. 233, the Children's Rights Act.

This is in regard to the Cavanagh commission. The Bill is modelled closely on the recommendations of the 1979 Commission on Family and Children's Law in British Columbia, chaired by the Hon. Mr. Justice Thomas Berger. It declares the child's right to the basic necessities of life, education, parental support, and representation at legal proceedings. Under the proposed Act, anyone convicted of depriving a child of his or her rights under the Act, without lawful authority, is liable to a fine or imprisonment.

[Leave granted; Bill 233 read a first time]

head: **TABLING RETURNS AND REPORTS**

DR. WEBBER: Mr. Speaker, I'd like to file with the Legislature copies of a document entitled Health and Social Service Manpower in Alberta, 1982, prepared by the Health and Social Services Disciplines Committee. It's public information, and I hope the Official Opposition will read it.

MR. RUSSELL: Mr. Speaker, I'd like to table a response to Question No. 202.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. HYNDMAN: Mr. Speaker, it's my special pleasure today to introduce to you and to members of the Assembly some two dozen lively and alert grade 6 students from the Glenora elementary school. They are in the members gallery and are accompanied by their teacher, Mr. Kirsch, and by a parent, Mrs. Lodge. I would like to welcome them, and ask if they would stand and receive the welcome of the Assembly at this time.

MR. PAPROSKI: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Assembly, 40 talented, energetic, and bright grade 8 students from Sherbrooke junior high school in the constituency of Edmonton Kingsway. Accompanied by their teachers, Mrs. Gwen Chaban and Mrs. Brady, they are seated in the members gallery. I would ask them to please rise and receive the warm welcome of this Assembly.

MRS. KOPER: Mr. Speaker, it is my pleasure to introduce to you, and through you to members of the Legislature, 15 members of Local 55 of the Alberta Union of Provincial Employees, from Foothills hospital. These members represent many dif-

ferent occupations within our hospital and, to my knowledge, this is the only local in the province that has publicly recognized their chief administrator and his efforts to develop good, positive staff relationships.

Among the group is the chairman, Mr. Bob Fehr — if he would please stand — and Tom Minhinnett, the provincial vice-president of the Alberta Union of Provincial Employees. I wish the members of the local to all stand so that they may receive your warm welcome to our House.

MRS. LeMESSURIER: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Assembly, two classes consisting of 11 students each from the Alberta Vocational Centre, which is situated in Edmonton Centre. These students are studying English as a second language, and they are accompanied by their two leaders, Anne Marie LaBrie and Jana Kacur. They are seated in the public gallery, and I ask them to rise and receive the very warm welcome of this Assembly.

MR. NELSON: Mr. Speaker, it gives me a great deal of pleasure today to introduce to you and to members of the Assembly a young lady who is looking after the interests of Calgary McCall and who works in our office there. Her name is Zoe McCall. I would like to ask her to rise and receive the welcome of the Assembly.

head: ORAL QUESTION PERIOD

Personal Income Tax Increase

MR. NOTLEY: Mr. Speaker, I'd like to direct the first question to the hon. Provincial Treasurer. I note, just in passing, that we seem to have a large number of flower children in the Assembly this afternoon, all taking their cue from the Prime Minister. [interjections]

Mr. Speaker, notwithstanding this new alliance between Edmonton and Ottawa, I'd like to direct the first question to the Provincial Treasurer, if I may. In view of the most recent Conference Board report, is the government now reviewing the ability of the province of Alberta to withstand a 13 per cent increase in personal income taxes on January 1?

MR. HYNDMAN: Mr. Speaker, with regard to the initial remarks of the hon. member, I can appreciate why he would not want to remember an event of a year ago.

The Conference Board report, which is out today, is of course one of about a dozen such economic reports which come out in Canada. It is generally in line with our previously stated and overall view of the economy. It should be noted that the Conference Board report does state that Alberta is in the process of adjusting to a different economic environment. That's certainly consistent with what has been said. The report notes that by 1984, construction, trade, and manufacturing will begin to grow once more in Alberta.

The important figure, though, is one which supports the recovery phase the province is now in; that is, it indicates that the real growth — that's after inflation — in the gross provincial product is very visible in the third quarter of 1983 over the second quarter of 1983. I think that shows that the recovery is there. That fact, taking into account as well the fact that, again, the spending on retail sales is the highest per capita in the country and that family income is the highest, supports the continuation of our view.

MR. NOTLEY: That's putting a good face on a bad picture.

Mr. Speaker, could I ask the Provincial Treasurer to advise the Assembly whether any consideration has been given by the Department of Treasury and by Executive Council to looking at an indicator with respect to consumer sales on the basis of a year, as opposed to the reference made in *Hansard* on October 18, citing one month as an example. I relate that to the Conference Board estimate with respect to retail sales, which shows Alberta 10th among the 10 provinces.

MR. HYNDMAN: Mr. Speaker, I think the hon. member is again being selective in his statistics. I refer him to the document of October 18, 1983, where it sets forth very clearly in the news release that month after month, Alberta consumers spend more per person than any other consumer in any other province in the country, well above the national average. That has continued. I think that appears to be a trend and, in my view, that indicates that we are in the recovery phase in Alberta. [some applause]

MR. NOTLEY: An extremely modest response on that, Mr. Treasurer, from the backbenchers. Mr. Speaker, a supplementary question.

Could the Provincial Treasurer advise the Assembly whether any special programs to stimulate consumer demand are now being considered by the provincial government?

MR. HYNDMAN: Mr. Speaker, I think I just indicated that consumers are, I believe, from the statistics, gaining confidence. With the highest per capita consumer purchasing in the country, I think that demand is certainly visible and there.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister then ruling out any special programs to stimulate consumer demand, in view of the fact that we have tax increases announced and others scheduled for January 1? Is the minister now ruling out any special programs to increase consumer demand?

MR. HYNDMAN: Mr. Speaker, again, right from programs such as the interest rate shielding programs, a large number of programs which have been designed to stimulate and underscore investment and consumer confidence have been introduced over the last year. I believe they're working. If the province of Alberta dropped from perhaps the 14th floor to the 12th floor of a building during this economic downturn, the rest of country was at the 10th floor and dropped to the ninth. The economy in this province is stronger today than the other provinces in Canada and better placed to take off into a recovery situation.

MR. MARTIN: If you say it enough times, it doesn't necessarily come true.

MR. NOTLEY: He's going to have to say it a lot more times.

Mr. Speaker, a supplementary question to the minister. Has there been any review undertaken by the Department of Treasury, the Department of Manpower, or the Department of Labour, with respect to the forecast of unemployment? We have the forecast contained in the Conference Board of Canada report. Have any provincial forecasts been undertaken or commissioned, independent of the information from Statistics Canada or the forecast in this report?

MR. HYNDMAN: Mr. Speaker, regrettably the forecast for unemployment right across Canada — and that is probably the situation in Alberta as well — is that there will be a continuation

of unemployment, probably and regrettably at existing levels, for some considerable time. That appears to be the situation right across Canada. We think that that is probably, though unfortunately, the situation in the province of Alberta as well. That is why, for example, the \$60 million worth of programs to assist in job retention and creation has been brought forward by my colleague the Minister of Manpower, but basically remembering it is the private sector which is bringing and will bring the economy of this province into the recovery phase.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could the Provincial Treasurer outline to the Assembly what specific evaluation has been made of the information with respect to unemployment in the Conference Board forecast, which shows that the Canadian average unemployment is going to drop by 1.1 per cent and the Alberta average by only .3 per cent, one of the poorest performances of any of the provinces.

MR. SPEAKER: We've had a fairly freewheeling debate so far on this topic on both sides. I think it was fairly evenly matched in a parliamentary sense; I'm not suggesting anything regarding the merits of the debate. But we're back at this evaluation business, and that is really asking a minister to express an opinion about something in somebody's report. With great respect to the hon. Leader of the Opposition, I can't conceive that as being within the official duties of a minister, for which he should answer in the Assembly.

In the last couple of weeks we've had a number of examples of statements that have been extracted from reports. I suppose if we kept at it we might take a whole report, paragraph by paragraph, and ask what evaluation was made of each paragraph. I realize the hon. Leader of the Opposition hasn't gone that far, and I'm not suggesting that he intends to. But that would illustrate what's going on. It seems to me that we should be dealing with questions of fact, and evaluations are just matters of opinion. Somebody looks at a report, evaluates it, and forms an opinion about it.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister, and this is an ascertainment of fact. Have any contingency plans been prepared by this government to deal with the difference between the forecast for Canada as a whole and the forecast for Alberta, to ensure that the Alberta unemployment rate will drop by at least the national average, as opposed to a performance somewhat less than the national average?

MR. HYNDMAN: We have been responding as necessary, Mr. Speaker. I think the hon. member and citizens of Alberta will realize that in terms of the creation of jobs, the Alberta economy was growing at a much faster rate than the rest of the country during the latter part of the '70s and the early '80s. There's bound to be an adjustment and a correction; that is happening. As important, or perhaps more important than the statistics quoted by the hon. gentleman, is the participation rate, the per cent of the population of the province that is actually working. That is at more than 70 per cent, the highest in the country. There are today a million Albertans working at an average wage of over \$418 a week.

MR. NOTLEY: Mr. Speaker, unfortunately there are 138,000 who aren't.

I'd like to ask the minister whether, given the Conference Board report, any consideration has been undertaken by Executive Council to pushing ahead the date for the delineation of an industrial strategy for this province.

MR. HYNDMAN: No, Mr. Speaker. As I mentioned, this report is one of a dozen or more. In addition to those, of course, we inject the Alberta situation. But as indicated by the Premier, there is an appropriate and proper time line being followed. It's important for the decade or more ahead, and we want to make sure it's done appropriately so that time line will probably be adhered to.

Postsecondary Education Financing

MR. NOTLEY: Mr. Speaker, I'd like to direct the second question to the hon. Minister of Advanced Education. It's with respect to the 19 per cent increase in enrolment at the University of Alberta over the last two years. Will the government of Alberta be outlining a funding program to accommodate the increased enrolment and the financial problems all universities and postsecondary institutions in this province face as a consequence of the increase in enrolment?

MR. JOHNSTON: Mr. Speaker, first of all, I think it's well understood by members of the Assembly that when I presented my estimates in April or May 1983, I made some comments about a precedent-setting move by the province of Alberta to accommodate the universities with respect to the student number increases. That precedent in fact provided additional funding for student enrolment numbers which had obviously showed up at all institutions across the province. As I'm sure members of the Assembly will remember, that money is now being paid to the universities and colleges in the monthly payments which are requisitioned by this Assembly and paid by my department. Therefore I would simply say that we have dealt with that issue. We've established a precedent and, once the total enrolment numbers are in, we will consider whether or not that policy needs to be reviewed.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given that an urgent request for additional funding was received from the universities some weeks ago, when will the minister be announcing his response to that request?

MR. JOHNSTON: Mr. Speaker, I don't want to debate the words the hon. Leader of the Opposition has used. But first of all, I don't think the universities or colleges are in what is described as severe financial shape. Moreover, I haven't had what you might describe as urgent requests for funding.

Most of the relationships I've had with the chairmen and presidents of universities and colleges have been reasoned positions, opportunities for dialogue and debate. We try to jointly come together with a set of solutions which can accommodate the problem we're all facing. So simply stated, Mr. Speaker, we're working in this co-operative process. I don't think we need the kinds of provocative questions or provocative notions which have been expressed by the Leader of the Opposition. We're trying to accommodate the problem, and we're working toward that resolution.

MR. NOTLEY: The minister should just read press reports of what the university presidents are saying.

MR. JOHNSTON: I'm dealing with the presidents; I don't get my information from the papers.

MR. NOTLEY: Mr. Speaker, last year additional funding was made, which the minister alluded to; \$1,000 per capita was my understanding. Could he outline to the House what the reasons were for \$1,000 per student additional funding for university

students, when the basis for high school students in the province is \$2,000? There's been at least some representation to the opposition that \$1,000 per additional student is inadequate.

MR. JOHNSTON: Once again, Mr. Speaker, as in many of these decisions, you use judgment, you use some statistics which are provided for you, and you factor all these into what may be described as a loose approach or a loose formula in establishing — which is a unique way to deal with the question because, of course, we have not had the experience before.

But I've pointed out before, and it should be noted, that during the period when student enrolments were in fact decreasing — through the period 1971 to 1977 — the province's support to universities and colleges was increasing. So we had two variables going in two different directions; that is, student numbers going down and provincial assistance going up. Many people questioned whether or not that was a reasonable solution, when all other provinces were based on student numbers as opposed to a formula of funding, the approach we had used here in the province of Alberta.

The point is that obviously at some point, when student numbers started to go back to the level at which they were in 1972, it was reasonable to conclude that the costs hadn't changed all that much over the period and that if student numbers continued to increase, marginal assistance should be given. It's always a question of judgment, however, as to when the marginal costs equal the marginal revenues. If the hon. Leader of the Opposition has better information on that than I, I'd appreciate receiving his views.

MR. NOTLEY: You certainly will.

The minister talked about a loose formula; that's certainly true. However, could the minister outline whether any objective criteria at all are used to develop what he has classified as a "loose formula"?

MR. JOHNSTON: Mr. Speaker, I attempted to detail some of the factors which were involved in that calculation. For example, some of the items would be simplistic, if not simple: division of the total costs of education by the total number of students that are involved. But unfortunately, that doesn't yield very much if, on closer analysis, you find that at the margin there must be some slack in every system. And I'm not pointing fingers at the university; it's typically found in all private-sector operations as well. At some point that slack, in terms of accommodation of additional students, really doesn't cost the institution any more.

MR. NOTLEY: Mr. Speaker, a final supplementary question to the minister. Given the dismal figures from the Conference Board forecast, what projections have been done by the minister's department with respect to projected enrolment changes — probably increases, but changes in any event — over the next five years?

MR. JOHNSTON: Mr. Speaker, we've attempted a multivariable approach using seven variables, and it's tested that the .5 position equals about .088. [interjections]

MR. PAPROSKI: A supplementary, Mr. Speaker. Has the Minister of Advanced Education had the opportunity to discuss this financial formula with presidents of universities and colleges, and indeed extrapolation studies as well, with respect to enrolments?

MR. JOHNSTON: Yes, Mr. Speaker, on a more serious note. Of course, wherever possible we're accepting the advice of

others, all people who are involved in coping with the problem of university and college financing. Recently, for example, we met with the presidents. Recently we had our seminar, where in fact boards of governors, presidents, and others who are involved, including students and academics, had an opportunity to express their views as to how the funding of universities and colleges by government should take place. So in response to the member: yes, there have been a variety of opportunities for discussion and a variety of sets of inputs, and I'm looking forward to more.

MR. PAPROSKI: A final supplementary, Mr. Speaker. With respect to the University of Alberta's population increasing by over 2,000 in this last year, have there been any discussions with the university with respect to putting ceilings on enrolment?

MR. JOHNSTON: Mr. Speaker, I don't want to get into a debate, because I'm sure you'd be up very quickly. But I would simply indicate, as I have indicated before, that that is one issue which we must face. I think it's an issue which has to be decided by the boards of governors and by this Legislature: should the future enrolments continue at this rate, what steps or what options are available to us, collectively, to deal with the student number increases, given the fact that at some point these institutions shall in fact be full.

MR. COOK: Mr. Speaker, I wonder if I might ask two questions of the minister. One would relate to how our funding for universities would compare to other jurisdictions across the country.

MR. SPEAKER: Perhaps we might go to the second question, because the first one is a matter of research that the hon. member has means to pursue himself.

MR. NOTLEY: Have those government researchers find it for you, Rollie.

DR. BUCK: That's a good caucus question, Rollie.

MR. COOK: Then the other question I might ask, Mr. Speaker, is: are there any initiatives being considered to target money at the growth areas in universities, particularly in areas like computer science, which is under a great deal of pressure?

MR. JOHNSTON: Of course that's a very appropriate question and a very perceptive question as well. In fact, if we're deciding upon this formula which would bring together a series of factors, it would seem reasonable that this is one of the elements which might well be given additional weight; that is, is it reasonable to give additional or marginal money to those faculties which are full or which have or have traditionally had quotas? Moreover, what response is expected from government if we want to target certain areas within the government? For example, computing science has been noted, and that is one of the areas where demand by students for services has increased dramatically, if not infinitely, over the past couple of years. That might be a reasonable solution. The province, together with the institutions, would target certain areas where additional money may be required. I appreciate the advice given to me by the hon. Member for Edmonton Glengarry.

Women's Shelters

MR. R. SPEAKER: Mr. Speaker, a year ago Albertans elected a caring government.

MR. SPEAKER: Might the hon. leader of the Independents indicate which motion he is now debating.

MR. R. SPEAKER: Very good, Mr. Speaker. It's a preface to the question, a test of that objective of the government. My question is to the Minister of Social Services and Community Health. I'd like to ask whether the department is reducing, increasing, or maintaining funding for shelters for battered women in the province of Alberta?

DR. WEBBER: Mr. Speaker, if the hon. member wishes, we can provide him with information which shows some significant increases this year over the previous year in funding for shelters for battered women. If my memory serves me correctly, there were three, possibly four, new shelters opened in the province.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Has the minister met with some of the shelters in the province and discussed their present deficit problems with them?

DR. WEBBER: Mr. Speaker, I have visited shelters in the province and, on those occasions, there was no reference to any particular deficits. The regional directors of the department are responsible for working with the local groups and, if they have any particular problems, I expect they would raise them with the regional director; hopefully they have.

MR. R. SPEAKER: Mr. Speaker, a supplementary question in light of the last answer. Regional directors in the province have given notice to the various shelters that there will be budget reductions in the coming year. Has the minister confirmed that with the regional directors, or is that a directive of the regional directors themselves?

DR. WEBBER: Mr. Speaker, as I mentioned, the regional directors are responsible for their budgets for the current fiscal year and work with the different agencies and groups in their areas in determining what kinds of funding might be available for the coming year. In the particular shelter that I visited, it was indicated to me that they in fact had a lower case load than the previous year and therefore might not need the same kind of funding next year as they had this year.

MR. R. SPEAKER: Mr. Speaker, for clarification of the minister's answer, could he then confirm that notice has been given to the various shelters in the province that their budgets, as they stand at present, will be reduced in the coming year?

DR. WEBBER: Mr. Speaker, there has been no decision made at all with regard to what the overall funding will be for the coming year for the Department of Social Services and Community Health. In terms of any communication between the regional directors and the local boards and agencies, I assume it would be communication relative to trying to get a handle on what their needs might be for the coming year.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Would the minister contact the various regional directors to confirm that that directive that their funding will be reduced is now being given to the shelters?

DR. WEBBER: I'd be happy to look into the matter, Mr. Speaker, to see what kind of correspondence or communication has taken place between the regional directors and the operators of the women's shelters.

MR. R. SPEAKER: A supplementary question.

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

MR. R. SPEAKER: Could the minister as well confirm in this Legislature, in terms of the caring government personality that we had a year ago, that under his administration of the department, funding for the shelters will not be decreased in the coming year?

DR. WEBBER: Mr. Speaker, we'll see what kind of clout I have with the Provincial Treasurer with regard to that particular matter. There certainly would be no recommendation on my part for reduced overall funding for shelters for battered women for the coming year.

Rosehaven Care Centre

MR. STROMBERG: Mr. Speaker, my inquiry is to the Minister of Social Services and Community Health. Due to the considerable confusion incurred at the Rosehaven Care Centre at Camrose, could the minister explain why 49 employees were told last week that their jobs were being terminated and, as of yesterday, told their jobs were secure? I guess what I want to know is, why the flip-flop?

DR. WEBBER: Mr. Speaker, there was an unfortunate mistake made at the institution the hon. member refers to, a misinterpretation of information that went to the director of the institution. The information sent to the director was that there would be a hold on any further hiring of employees, whether it be full-time, part-time, or wage positions. The director interpreted the memo incorrectly, and it resulted in informing 40-odd wage employees that their services would no longer be required. The situation has been rectified, and hopefully things are back to normal.

MR. STROMBERG: A supplementary, Mr. Speaker, to the minister. Were 29 of the Rosehaven employees notified of the layoff by department officials in Edmonton, as claimed by the Camrose representative of AUPE?

DR. WEBBER: Mr. Speaker, my information is that the notifications came from the director of the institution. My number was inaccurate a few minutes ago. I indicated 40-odd; I believe the hon. member is correct in saying it was 29.

No-Parking Signs

MR. BATIUK: Mr. Speaker, I have a sixty-four dollar question for the hon. Attorney General. I wonder whether the Attorney General would intervene on behalf of a constituent who saw a sign which read "Fine for Parking", believing that it meant "okay for parking". [laughter]

MR. NOTLEY: You're just going to have to pay it, John.

MR. BATIUK: Not only did he pay the \$25 fine for parking, but he also paid \$39 for towing charges, which totalled \$64. There was no tow-away sign there.

MR. CRAWFORD: Mr. Speaker, I trust the hon. member is not risking a conflict of interest in asking for my intervention in this matter.

MR. BATIUK: A supplementary question to the Minister of Municipal Affairs. Would the minister take it upon himself to advise municipalities erecting signs that those signs be specific?

MR. KOZIAK: Mr. Speaker, all of us are of course always concerned that we communicate in a language which is readily

understood. We all follow the approach of the Minister of Advanced Education in doing so. [laughter]

MR. BATIUK: Mr. Speaker, I see the Minister of Labour laughing, so a supplementary to the Minister of Labour. Would the minister be able to advise whether this martyr would get assistance from the Human Rights Commission if he appealed to it?

MR. YOUNG: Mr. Speaker, I suspect that we are dealing with a question of law, and the question really is whether there is a valid complaint. Of course, it would be a valid complaint only if the individual could make a case that this would not have happened had he been of a different sex, color, or ethnic origin. The hon. member could check the statute for the rest of the conditions.

MR. BATIUK: Mr. Speaker, this would not have happened had there been a sign "Penalty for Parking".

Natural Gas Exports

DR. BUCK: Mr. Speaker, my question to the hon. Minister of Energy and Natural Resources has to do with Alberta gas sales to the U.S. through the prebuild. Can the hon. minister indicate to the Assembly what effect there has been on Alberta gas sales, in light of the fact that we've had a year's experience in shipping gas through the Alaska pipeline prebuild section?

MR. ZAOZIRNY: Mr. Speaker, in 1982 total Alberta gas sales were the highest ever, at 2.47 trillion cubic feet overall. In fact, there was some modest increase in our U.S. sales because of the operation of the prebuild. The fact of the matter is that our natural gas export sales overall have declined somewhat in 1983. This is attributable in large measure to the economic recession that occurred throughout North America and certainly the United States; some substitution of energy sources, which affected natural gas sales; and, as well, included some specific conservation measures. On top of that, we had a very mild winter.

The situation we are now faced with is some decline in sales in 1983. The forecasts for 1984 from the Department of Energy in Washington are more optimistic. We are looking at some specific aspects of the prebuild financing, in terms of the depreciation calculation. As the hon. member would be aware, the facility was put in place in response to a specific request from the United States, given their intentions with the Alaska pipeline. So at this time we are saying to our American friends that we trust they will show understanding in terms of the financing arrangements and will ensure the continued flow of Canadian natural gas into the United States market.

DR. BUCK: Mr. Speaker, a supplementary question. In light of the fact that the Alberta Petroleum Marketing Commission said in 1982 that there was a modest increase of about 3 per cent — and the minister confirmed that — can the minister indicate if this increase in the export of natural gas was due to new contracts, or was it just an increase in the volume of the old contracts that we had in existence?

MR. ZAOZIRNY: Mr. Speaker, to the extent that the contractual arrangements vis-à-vis the prebuild are treated as new contracts, then that would be the response: the increase is attributable to those contractual arrangements with the prebuild. There was some decline in other parts of the overall gas sales

throughout the United States, but those were more than made up for by the contractual arrangements vis-à-vis the prebuild.

DR. BUCK: Mr. Speaker, a supplementary question. In light of the fact that we have a gas surplus in the United States and Canada at this time, can the minister indicate what studies the department has done as to what effect there is on the small Alberta gas producer who has a great volume of shut-in gas? Have there been any studies to indicate what problems the small producers are having with surplus gas?

MR. ZAOZIRNY: The hon. member is quite correct in asserting that there is significant shut-in gas in Alberta. The circumstances vary from producer to producer. Those who are involved in contractual arrangements, whether they be small or larger producers, and are able to move some of their gas, are of course in a better position than those who might be completely shut in.

As the hon. member would be aware, this year we have taken some specific measures in adjusting the uniform border price and in encouraging the federal government to initiate the volume-related incentive plan — just yesterday, November 1, a further modification and fine tuning of that volume-related incentive plan was announced — all of which is intended to maximize natural gas sales and improve the circumstances of those producers who have significant amounts of shut-in at this time.

Doctors' Fee Schedule

MR. OMAN: Mr. Speaker, my question is directed to the hon. Minister of Hospitals and Medical care. Could the minister indicate to us what fees, if any, doctors pay for the use of hospital facilities?

MR. RUSSELL: They don't pay any fee for the use of hospital facilities, Mr. Speaker. The only way they contribute toward the ongoing maintenance of the hospital is by way of serving on a variety of house committees, et cetera, which are necessary to run those institutions.

MR. OMAN: A supplementary, Mr. Speaker. In view of the fact that we provide doctors with space and equipment at considerable expense, would the minister consider initiating a user fee for doctors for the use of those facilities?

MR. RUSSELL: Mr. Speaker, I hesitate to answer the question because of the obvious complexities, other than to say that I have indicated to the Alberta Medical Association that we are considering expanding the difference in the differential fee schedule for services carried out in different surroundings; that is, whether it's in the patient's home, the doctor's office, or the hospital. Each fee which is paid to a doctor includes a component for deemed overhead. Of course, in some of those instances there is no overhead. The suggestion has been made that perhaps the fee schedule ought to recognize that.

Out-of-Province Health Care Benefits

MR. MARTIN: Mr. Speaker, I would like to direct my question to the Minister of Hospitals and Medical Care. What is the government policy today regarding means tests for medicare payments, specifically the policy of this government to deny coverage to some Albertans, based on their income, if they require service outside the province?

MR. RUSSELL: Mr. Speaker, there has always been help available to those citizens who require services outside Canada. It is done in two ways. Number one, a *per diem* rate of \$150 per day is contributed towards hospital costs. The doctor that is used in the other country is paid at the same rate as if he were practising in Canada. Beyond that, the citizen is responsible for his own charges.

Most people carry some kind of health care insurance which covers them if they are caught with medical bills when they are outside Canada. However, in the event that they don't have insurance and in the event that there are significant bills beyond which I mentioned as being covered, then there is an emergency financial assistance program for which people do apply. Many citizens have taken advantage of that assistance over the past years.

MR. MARTIN: A supplementary question, Mr. Speaker. Can the minister confirm that his officials have requested permission to review private income tax records of some Albertans who require health insurance coverage for out-of-province trips?

MR. RUSSELL: Mr. Speaker, I'd have to take that specific detail as notice. I do know it is based on a means test; obviously it's not *carte blanche*. But I can give you some statistics which give you an idea of what's involved. In the '81-82 fiscal year there were 77 applications for such assistance, and 64 were approved, for a total of \$531,000 in assistance. In '82-83 there were 82 applications, 60 of which were approved, for a total of about \$739,000 in assistance. So there has been significant additional assistance given to people who are in need.

MR. MARTIN: A supplementary question. Has the minister held any discussions with the Minister of National Health and Welfare concerning means tests for out-of-province services and the possibility that those tests might violate provisions of our funding agreement with the federal government?

MR. RUSSELL: Mr. Speaker, under our agreement with the federal health minister, we're required to provide health care in Canada for Canadian citizens. But most provinces have developed portability benefits which cover their own province's citizens when they are in other parts of the country and, in addition to that, have the out-of-country coverage which I've mentioned.

This gives me a chance to add that surely in today's situation, people aren't travelling outside Canada without making sure they do have health care insurance coverage. It's foolhardy not to do so.

Cardiac Care

MR. MARTIN: A supplementary question. The Assembly has approved a motion for a return concerning the report on open-heart and cardiovascular services in Alberta. Has the minister an estimate of when he will table that report?

MR. RUSSELL: Yes, Mr. Speaker. I've asked for copies to be delivered to the Legislature, and I expect to table it within the next day or so.

MR. MARTIN: A supplementary question. Has the minister reviewed with U of A hospital officials the reason for the delay in hiring a new cardiac surgeon, which is most of the problem we've been talking about? Is there difficulty attracting someone, due to inadequate research facilities and money?

MR. RUSSELL: Mr. Speaker, I'm advised that the problem in recruiting such a person is not a shortage of funding. I'd be surprised if the facilities that are available are a reason, because the new Mackenzie Health Sciences Centre is of course an outstanding project. I am advised that such specialists are very, very hard to get. You just don't go out and recruit one very easily. So steps have been under way in a very vigorous fashion ever since Dr. Fortune left for the United States earlier this spring, and everybody hopes that vacancy will soon be filled.

MR. MARTIN: One final supplementary, Mr. Speaker, for clarification of the minister's last statement. Can the minister confirm that any problems in completing a pediatric intensive care unit or in hiring a new pediatric heart surgeon and a new intensivist are not a function of limits on provincial spending? Can he absolutely give us that guarantee?

MR. RUSSELL: No I can't, Mr. Speaker, because I'm not sure what the hon. member's definition of a pediatric cardiac unit is. I've seen different descriptions in the media during the last couple of weeks. I've indicated that the Mackenzie Health Sciences Centre does have plans for one, plus temporary facilities until that new project is finished. Whether or not that would meet the definition in the *carte blanche* bill which the hon. member outlined, I can't say. I can give the assurance, however, that I've been told that the hiring of the specialist in question is not a question of funding; it is there. The person is simply not available.

MR. NOTLEY: Mr. Speaker, a supplementary.

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

Out-of-Province Health Care Benefits (continued)

MR. NOTLEY: Given the fact that some Albertans are forced to go outside the country to obtain medical treatment, what is the process by which the government determines the *per diem* rate the minister alluded to — \$150 dollars a day, I believe — for hospitals and the rate paid to surgeons in Canada? And is any consideration being given at this stage to reviewing those figures?

MR. RUSSELL: Yes, Mr. Speaker, they are reviewed from time to time. There's consultation among the provinces, and the figure is set by regulation and adjusted at irregular intervals. In today's climate of escalating health care costs, there is some question that that figure should be raised but, of course, our challenge here is to try to contain costs, not add to them.

MR. SPEAKER: The hon. Member for Lethbridge West, and then the hon. Minister of Social Services and Community Health would like to supplement information previously asked.

Home Mortgage Corporation

MR. GOGO: Mr. Speaker, I have a question to the hon. Minister of Housing, in his capacity as chairman of the Alberta Home Mortgage Corporation. It relates to the report he tabled in the House last week. The mortgage insurance fee was raised some 25 per cent, when the report says that less than 1.3 per cent of mortgages were in arrears. I wonder if I could ask the minister why the mortgage insurance fee was increased at a time when the mortgage arrears were at a very low figure.

MR. SHABEN: Mr. Speaker, I'd have to take that question as notice because of the particular time referred to by the hon. Member for Lethbridge West. I am aware that the corporation, which is a lending institution and provides mortgage funds for residential and multiple family uses, is always aware of the market situation and is conscious of policies undertaken by either CMHC or MICC with respect to risk and with respect current rates and practices. I would have to check into the specific timing in order to provide the hon. member with the answer.

MR. GOGO: I appreciate that, Mr. Speaker. A supplementary to the minister. Subsequent to the publication of this report, could the minister indicate whether the rate of foreclosure on mortgages in Alberta is increasing and some degree of what the rate of that increase might be.

MR. SPEAKER: Is the hon. member asking about the corporation for which the minister is responsible, or is this a sort of general research question?

MR. GOGO: I'm asking about the corporation, Mr. Speaker.

MR. SHABEN: Mr. Speaker, if the hon. member refers to page 1508 of last Thursday's *Hansard*, he will find the response.

MR. GOGO: I'll certainly read that. A final supplementary, Mr. Speaker. Could the minister advise the Assembly that when these foreclosures on houses here in Alberta take place through the Alberta Home Mortgage Corporation, the solicitors involved in those foreclosure proceedings are solicitors within the constituency where the housing units are?

MR. SHABEN: No, Mr. Speaker. They aren't necessarily from the constituency or community where the foreclosure action is taking place. There are a number of law firms throughout the province that specialize in this type of legal activity. Those are generally the law firms selected to undertake foreclosure action.

Social Allowance

DR. WEBBER: Mr. Speaker, in viewing the Blues this morning, I noted that the Member for Edmonton Norwood suggested in question period yesterday — and I couldn't believe it — that those on social assistance, in particular women, should not be expected to take in boarders to help supplement their income. He made reference to a March 25 letter sent to social allowance recipients and indicated the letter stated that for women to take in boarders would be unsafe. That's simply not true at all. No communication to that effect was sent to social allowance recipients. As I indicated yesterday in the House, those who are on social assistance should look at the possibility of taking in boarders. In fact many people, women in particular, do take in boarders for purposes of supplementing their income.

MR. MARTIN: One supplementary question . . .

MR. SPEAKER: We've gone beyond the time. Perhaps the urgency of the question is such that it might be asked tomorrow.

ORDERS OF THE DAY

MR. MARTIN: Just one question.

MR. SPEAKER: Really, I don't feel that I have the right unilaterally to extend the question period. [interjections] Does the Assembly agree?

SOME HON. MEMBERS: Agreed.

SOME HON. MEMBERS: No.

MR. SPEAKER: There isn't unanimous consent. I'll see if I can take the pulse again. Does the Assembly agree that we extend the question period for the hon. Member for Edmonton Norwood to ask one supplementary?

SOME HON. MEMBERS: Agreed.

SOME HON. MEMBERS: No.

MR. SPEAKER: I'm afraid there were some anonymous noes that I heard coming from over in that direction, but I'm not pinpointing anybody. [interjections]

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 81 Electoral Boundaries Commission Amendment Act, 1983

[Debate adjourned November 1]

DR. BUCK: Mr. Speaker, before I take part in the debate on Bill 81, I would like to ask the Government House Leader a question, if I may. I'd like to know from the Government House Leader if there's going to be an amendment coming to the Assembly to change the composition of the committee. If there's an amendment, then I'm sure I can save my words.

MR. CRAWFORD: Mr. Speaker, I guess almost anything that could be done to save the hon. member the need to express himself should be done. But the answer to his question is no.

DR. BUCK: Mr. Speaker, I thought that maybe the government had reconsidered its stand on Bill 81, and we would try to establish a non-partisan commission to look at the re-establishment of boundaries in this province. I expected more, but I should have known that I'd be disappointed.

In taking part in debate on the Bill, I think it's only fair that I inform the government backbenchers as to what changes are taking place from what the two previous commissions consisted of. I'm sure that the government backbenchers have just been told what they're going to have to vote on *carte blanche*, so I would like to indicate to members of the Assembly that in the two previous commissions set up to change the electoral boundaries in the province, the present section reads:

The Lieutenant Governor in Council shall, from time to time as required by this Act, appoint an Electoral Boundary Commission consisting of

a person approved by the Lieutenant Governor in Council, who is a Judge of the Court of Queen's Bench or the Court of Appeal, and one person, not a member of the Assembly — a person who comes from the private sector, or a person who is an ordinary lay person in the Assembly, and

(c) 2 members of the Legislative Assembly nominated by the Leader of Her Majesty's loyal opposition, to be chosen one from the Leader of the opposition's party and, where possible, one from the next largest opposition party in the Legislative Assembly,

- (d) 2 members of the Legislative Assembly chosen from the Government party by the Lieutenant Governor in Council, and
- (e) the Chief Electoral Officer,

one of whom shall be appointed chairman.

Mr. Speaker, if we are going to make decisions that affect not us as elected members of the Assembly but the people who will be casting their ballots, I think I have to enforce that point very strongly so that the backbenchers in this government can understand the difference. It is not the concern I have for the members of this Assembly; it is the concern I have for the people who put us in this Assembly. When we are making changes to electoral boundaries, we must — and I emphasize "we must" — try to make the decisions that are going to be made as impartial as they can possibly be.

What amazes me, Mr. Speaker, is that all members of this Assembly understand that principle. All members know that's the way it should be. But what I have great difficulty understanding is why the government would have abuse heaped upon its collective head to go the route they have suggested. Are they so drunk with power, so arrogant, that they think the people of this province don't care or won't notice?

We have seen some sheepish backbenchers walking through this Assembly and around this Legislature today, with their heads bowed just a little bit lower because they're not very proud of the legislation they are bringing to this Assembly. It was quite interesting to listen to the hon. Member for Barrhead say, certainly we admit it's going to be a political decision — or words to that effect.

MR. KOWALSKI: On a point of order, Mr. Speaker. I think that if the hon. Member for Clover Bar wishes to retain credibility in my eyes, I would ask him to read the Blues of last night and he would find that the Member for Barrhead made no such statement.

DR. BUCK: Mr. Speaker, I will check the Blues and paraphrase it otherwise. I'm really not too concerned if I am held in very high esteem in the eyes of the Member for Barrhead. I am more concerned if the electors of Barrhead, who elect the hon. member to this Assembly, are treated fairly. Under this present set-up this government's proposing, those members that bring him to this Assembly are not being treated fairly, or there's a possibility that they could be gerrymandered from one constituency to another. That's what I'm concerned about. I'm not too concerned about what the member thinks about me, because we're all here to try to do a job.

Mr. Speaker, when boundaries are changed, there is a plus or minus factor that the commission has to stay within. All of us who are practising politicians know that in a province as large as ours, with great expanse, great distances, natural dividing points, rivers and mountains, there has to be a combination of population and area. All practising politicians understand that. And that is why, in spite of some of the criticism when we have elected people on electoral boundaries commissions, we get criticism that you should not have political people on these commissions. But all of us know that in our constituencies, be they urban or rural, there are natural boundaries, and people understand those boundaries. I can give a good example. The hon. Member for Vegreville and I have coterminous boundaries, and for some reason I know that the hon. Member for Vegreville and I would never have drawn that type of peculiar boundary where the Chipman-Tofield road, that is well known to all the people in the area, is a natural boundary. Instead, what did the commission do in its wisdom or lack thereof? They moved it over a few miles and put a few jogs in it. They

left some people on one side of Beaverhill Lake that should have been on the other side of the lake. Some of those small errors were corrected.

But the people in the area understand some of these natural boundaries, and they're quite amazed when they go to vote and find they are on the other side of the road when they always thought that was a natural boundary. That's why it is important that practising politicians be on these commissions. They don't make as many goofs as people who supposedly are impartial but do not know what some of these natural boundaries are.

But the point we are really debating is why the government has changed the composition of that commission. To this time, I have not heard one reasonable reason from the government side of the House why they could stand in their places in this Assembly, stand on a public platform anyplace in this province, and tell the people why they have made this change. Is it because they are so drunk with power that they don't care about what the people think, about fairness and justice? Are they so arrogant that they don't think the voter will eventually have his say and this government will be turfed out?

I would like to bring back a few historical facts to this pompous government. I sat in a government that had a large majority, but the biggest difference between that government and this government is that that government seemed to understand people much better than this government does. [interjections] The nomination stealers can laugh all they want to back in the corner to my left, but that was the largest difference between this unfeeling government and the previous government: they still understood who is serving whom, that the politicians are serving the people and not vice versa.

Mr. Speaker, why is the government attempting to do in what we have in the Bill before us? Why is it changing from two members on one side of the House, two members on the other side of the House, to three and one? Are they so afraid that there may be another one or two or three or, heaven forbid, even 20 opposition members in this Assembly? Or are they following the example of the greatest Tory of them all, James A. Macdonald. I beg your pardon; I guess the greatest Tory of them all was John A. Macdonald. Hugh Macdonald was the premier of Manitoba, was he not? You Tories should know your history. I am not a Tory so I don't have to worry about that. John A. Macdonald's son was the premier of Manitoba at one time.

Mr. Speaker, it was quite interesting to see what happens when governments go out to directly and purposely gerrymander borders. It's really worth going back into history a little bit. I think it's relevant. All politicians should really learn something from history, because history has a great way of repeating itself. Unfortunately in this case, it is repeating itself in that this government seems to have modelled itself on the government that John A. Macdonald led when they wanted to get rid of a few Liberals.

I think it would serve us well if we looked at the definition of "gerrymandering". The definition is:

the drawing of political lines by the party in power so as to perpetuate its power; designing a district to fit a voting pattern.

Mr. Speaker, it's always good to find out where these terms come from, but it's even better to find out how it really works. Going back a little bit to the history of where the term "gerrymandering" came from, it was

derived from the name of Governor Gerry of Massachusetts who, in 1811, signed a Bill readjusting the representative districts so as to favor the Democrats and weaken the Federalists, although the last named party polled nearly two-thirds of the votes cast. A fancied resemblance of a

map of the districts thus treated led [Gilbert] Stuart, the painter, to add a few lines with his pencil, and say to Mr. [Benjamin] Russell, the editor of the Boston *Centinel*, "That will do for a salamander", as he was doing this sketching on a sheet of paper.

Russell glanced at it: "Salamander?" said he, call it a Gerrymander", because it's slithering around like a lizard or a salamander and it is including the areas that the party in power would like it to include. And that's where the term "gerrymandering" came from.

When we look at what this government is trying to do, it's really quite apropos to change boundaries with the possibility — and I would never accuse this government of ever doing anything like that directly — that in years to come there may be an even more partisan group of Tory backbenchers than there is now in this Assembly. I cannot imagine them ever being any more partial than they are now. But of course some of these new boys feel that once you get here, that's a great way to stay here. Don't cause any waves, don't get anybody's nose out of joint; just do what you're told, and everything will go along fine. You can get a nomination; you can steal one now and again from one of your fellow Tories. As long as the Premier is here, we'll just ride in on the coattails and we're here.

Mr. Speaker, the elector has a way of solving some of those problems. The government backbenchers and some of the frontbenchers — their day will come. It's quite interesting to take a look at the editorial section of the *Edmonton Journal* of last night. There was a picture of the former premier, Harry Strom, cleaning out his desk. That happens to all of us eventually. The elector finally does get his day in court, and he gets rid of governments and undesirable members.

This government came in in a flood, and I predict that within eight years that's exactly the way they're going to go out, because they have sown the seeds of their own destruction. Cancer has set into this party, where they are forgetting about why they are here and who put them here. The reason that we are here is to serve the people, but this government is here to serve itself, not with impartiality, not with compassion, but self-serving. The day will come when this government will be thrown out.

When you talk to Albertans at this time, after the tax raise and the promises that were made before the election, the people out there, the voters, are saying to us, and I'm sure they're even saying it to members of the New Democratic Party: when are you going to get some people into place? We want to get involved; we want to get rid of this government.

AN. HON. MEMBER: Give the people a choice.

DR. BUCK: The people will have a choice. The people made a choice. I'd like to say to the government backbencher who's so busy twisting his arm out of shape to pat his back: they really didn't have a choice in the last election, but that's a topic for another debate. But the choice will come, and the people will kick this government out. And when it leaves, Mr. Speaker, the legacy it has left this province is not going to come on a scale of one to 10, not even up to 1.5 when it compares to the former Socred government. I am sure history will indicate that when we look back over that period of time.

Mr. Speaker, to my colleagues sitting here on the opposition side, it's really quite interesting to see that the muzzles have been put into place. They've been told: don't bother the opposition, don't say anything to them, let them go, put your head down, write your little notes, don't get involved in the debate,

they'll just talk themselves out. Look at them. Aren't they gorgeous over there, listening to the debate, not heckling.

My fine friend the Member for Edmonton Belmont, who enjoys stealing nominations from some of his fellow Tories — one of the bright lights that has been brought to this Assembly. But Tories like stealing nominations, so that's just keeping the pattern up, Mr. Speaker. History has shown that.

Anyway, Mr. Speaker, let's talk about the make-up of this committee. Let's go back a bit so we get a little more history on gerrymandering, because you can arrive at only one conclusion when you see the composition of the committee. I would like to offer a challenge to the leader of the New Democratic Party. With the composition of the committee the way it is, I think that hon. gentleman should refuse to serve on that committee. I say that as seriously as I can say it.

MR. BATIUK: You want to get that job, Walter.

DR. BUCK: No, hon. Member for Vegreville. No, only if the composition of that committee is two and two or one and one. Because this government, as paranoid as it is becoming, surely understands that when the report from the Electoral Boundary Commission comes back, it has the power to reject the report outright. So what are they afraid of? Or do they just want another make-work program for one more Tory backbencher? I thought they had the whole waterfront covered. I thought they had everybody on a board or commission or committee. I don't think they need any more work. They have all of that covered.

So the only conclusion I can come to, Mr. Speaker, is that they want to purposely have that committee overloaded so they can juggle the boundaries. Now that's a terrible accusation to make. I am sure hon. members would never want to do that. After all, referring back to the 61 per cent of the electorate that voted for them when the electorate didn't really have any choice — but how about the other 39 per cent of the people that are so sick and tired of this government, so frustrated with this government? Who's going to look after them?

Mr. Speaker, when we have a committee composed of three government members and one opposition member, we are not really trying to show the people of this province that we believe in a non-partisan committee for re-establishing boundaries, so that those people, the people that send us here, can go to those polls, to that secret ballot box, and mark their X without worrying. Maybe this is a Conservative stronghold, but we needed a few more votes on the other side because that lousy socialist from Spirit River-Fairview got some of those votes last time. We have to fix him in a hurry; we just need a few numbers. You know, when you win by that gigantic majority of 200 votes, taking an NDP stronghold out of a portion of that constituency and putting it into one that has heavily weighted Tory votes could change the outcome of that election. But you would never accuse this government of ever considering doing that.

Of course in Clover Bar, the constituency I've had the privilege of representing, we didn't have too much luck the last 12 years. But maybe we could get a WCC candidate in and a few other people to siphon off a few votes and we might be able to get to that baldheaded geezer, because we really need more strength on that side of House. We don't want anybody in this province hearing anything except the party line cranked out by the minister of propaganda, the minister responsible for Public Affairs, spending millions of taxpayers' dollars so the people of this province can be fed that government pap.

Mr. Speaker, the government doesn't need any more seats. As a matter of fact, on the debate to this Bill, the Assembly doesn't even need that many seats. If we're really concerned about saving the taxpayer some money, why don't we cut this

House back down to about 60 seats? But politicians always take the path of least resistance. So instead of trying to enlarge the constituencies, and making them compact enough so they can be served and members can really get into the action, no, the politicians always take the path of least resistance. Let's just throw in another four or five seats. Because that way, none of our buddies ever gets redistributed out of their seat.

Now it would probably be all right to do it to the opposition, because in this province you don't need opposition. You know, all the handouts come from the government side. Of course I've heard that story many, many times in election campaigns. There's that famous road I was mentioning, the road between Chipman and Tofield. That is a good example of why some people have said you have to have government members if you want something done — a prime, classic example. I've heard that story the last three elections: if you want something done, you have to elect a government member, because we hand out the money and the goodies. We dip into the old Heritage Savings Trust Fund every four years and hand it back to you lucky people, you lucky Albertans; we'll buy your votes with your own money: a favorite Tory trick. That road is a very good illustration of the difference between a member who gets something done and two government backbenchers that you hardly ever hear from. Because the road from Highway 16 to Tofield has been paved for quite a few years. It goes a couple of miles in my constituency and then hits the hon. Member for Vegreville's constituency. That road is gravelled. We have a little blacktop which is in the constituency of Clover Bar, and then we head north into silent George's — I mean the hon. Member for Redwater-Andrew's — constituency and it's gravel. Isn't that so terrible? You have to have these government backbenchers so they can do all these wonderful things for you, like give you gravel roads when the opposition member has paved roads.

MR. BATIUK: On a point of order, Mr. Speaker. I believe that the hon. member is trying to deceive the House. The road he is referring to that is already paved was on my priority because it served a lot of my people. The portion of road between Highway 15 and 16 is not ...

DR. BUCK: On a point of order. We're debating, Mr. Speaker. He can have the opportunity. I gave him the opportunity many times last night to get up and get in the debate. This other stuff we don't need.

MR. STROMBERG: I'd like to ask the hon. Member for Clover Bar a question, if he would permit.

DR. BUCK: Certainly. When I've finished, Mr. Speaker, he may.

Mr. Speaker, for many, many years we've heard this nonsense that you have to have a government member. The only reason you really need a government member is to maintain that secrecy that this government is famous for. You don't want anything ever brought out on the floor of the Assembly. Never. Heaven forbid. Heaven forbid that the members of the back benches. . .

The hon. Member for Calgary Buffalo was so vociferous in council. I will say that I respect the fact that we did get one Calgary alderman who showed what aldermen are supposed to do. I'm a little disappointed with the performance of some of the others. They're fine gentlemen, but I can understand why we had that \$50 million cost overrun, or whatever it was, in the Saddledome. Those chickens will come home to roost some day too. I hope the hon. members from Calgary who were

aldermen at that time never get to be provincial treasurer, Mr. Speaker. It's bad enough now that we have a veteran member of the front bench looking after the provincial treasury, because at the rate of spending of this government, that Heritage Savings Trust Fund is going to be gone in four and a half years. Then, when we're looking at electoral boundaries at that time, the government won't be able to dig into that big old cookie jar and hand out the money: you lucky Albertans, here's some of your own money; vote for us, because we're really looking after it. Buying the people with their own money.

When we start gerrymandering boundaries, when we are going to try to get rid of a few more opposition members, then I think all these government backbenchers better have a look at themselves and stand in their place and tell us why they support this change. We've only had a few backbenchers stand in their place. They have tried to rebut some of the arguments we've made, but they have never ever told us why they are making this change. Why are they making this change?

MR. PAYNE: I'll tell you when I conclude debate.

DR. BUCK: When you conclude the debate, you'll put the rubber stamp on, Mr. Minister. When your backbenchers put the rubber stamp on, that's too late.

MR. R. SPEAKER: Why didn't you tell us to begin with, if you knew? Why didn't you say something?

DR. BUCK: The political ramifications and the possibility, when you have a committee that historically has been one-one in this province . . . This is not a government committee. This is a committee of this Assembly, a committee that is supposed to serve as fairly and equally as it can the people of this province, represented by members of both sides of the Assembly.

I suppose if the government can change the boundaries, if this commission can change the boundaries so they can get rid of the four opposition members, then that will solve all of their problems. You won't have to change boundaries; you can put four of your own on the committee.

MR. NOTLEY: For anybody who loses a nomination, just add a bigger House.

DR. BUCK: When you lose a nomination, you just get a government job, so that looks after that, hon. Member for Spirit River-Fairview.

As a matter of fact, Mr. Speaker, it was a real disadvantage to be a Socred and ask for a job from the previous government. It was a real disadvantage. I have had many people tell me: you know, there's no real advantage to belong to this party if you want a government job; you're better off being an NDP or a Conservative or a Liberal; you've got a better chance. That's the kind of ship that Premier Manning guided, and that tradition was carried on by Harry Strom.

MR. MARTIN: It's certainly not true now.

DR. BUCK: You don't have to worry what color card you're carrying, because we don't ask you. If you can do the job, you can get the job. As a matter of fact, the Premier . . . Most people used to bend over backwards to make sure there was no partisanship. Now I know the government backbenchers don't believe that, because they believe only what they want and what they're told. I don't know how long the government backbenchers in this Assembly can carry on not representing the input they get from their constituents, from other people in

this broad constituency of the province. I don't know how long they can sit back there, how they can live with themselves. As a matter of fact, the hon. Member for Edmonton Belmont may even want to become a Liberal.

MR. SPEAKER: Order please. I have to draw to the hon. member's attention that he's gone past the allotted time.

DR. BUCK: Thank you, Mr. Speaker. I will terminate my speech then. I have just one concluding statement to make. I would like to say that the composition of this Assembly is what we're debating. Do you want ...

MR. SPEAKER: Under the circumstances, since this seems to be a bit of a time game, I think I should ask the House whether they wish to agree that the hon. member continue, and perhaps in order to make it definite, we might put a time on it. My suggestion would be: does the Assembly agree unanimously that the hon. member continue for, say, another four minutes?

SOME HON. MEMBERS: No.

SOME HON. MEMBERS: Agreed.

DR. BUCK: Mr. Speaker, on a point of order, can you indicate to me ... You gave me the visual signal that I had two minutes. Are you saying now that I cannot even have two seconds to make my concluding remarks? I did not ask for four minutes, sir; you asked for four minutes.

MR. SPEAKER: Well, just to put a time limit on it, because otherwise ... If I just could explain the situation. An open-ended extension of time simply negates the *Standing Orders*. If there is no limit, it would be difficult to raise a point of order on a member going on for another hour after that. I'm not suggesting the hon. member had that in mind, but as far as extending the time is concerned, I do try, as the hon. member has kindly acknowledged, to draw hon. members' attention to the lapse of time. I did give the two minute signal, and we've gone ... I think the hon. member actually had four minutes after that, because we went over the time. I have no authority to change the rules. I asked for consent and it wasn't unanimous, so the thing is out of my hands.

MR. M. MOORE: Mr. Speaker, on the point of order, I trust that in this House a member is allowed some very short time to conclude his remarks during a debate. Perhaps, in that case, you may have asked for too long a time. You may want to put the question of the member having two minutes to wrap up his remarks, and see if the House agrees.

MR. SPEAKER: Does the Assembly agree that the hon. member might continue for another two minutes?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: I'm sorry, I heard a dissenting voice.

DR. BUCK: Mr. Speaker, then I ask ...

MR. SPEAKER: I'll ask it again. I shouldn't do ...

DR. BUCK: Mr. Speaker, on a point of order. As the hon. Minister of Transportation has indicated, it is a custom in this Assembly that when a member runs ... Who knows? He doesn't have a time clock in front of him, the siren does not

go off. I'm just saying that it has been a custom in this House, as indicated. [interjection] I don't know when I started. Do you keep time when you talk Lysons — when you start, and put it down, hon. Member for Vermilion-Viking? Mr. Speaker, I don't want to get into a fight. I just want to say that the hon. Minister of Transportation has made the suggestion that it is a custom in this Assembly to make a concluding remark. All I need is 10 or 20 seconds to finish the middle of my sentence.

MR. M. MOORE: Mr. Speaker, on a point of order, I said that it has been the custom for hon. members to unanimously agree to an extension. In this particular case, it may have been that the hon. members thought the extension was too long, and I suggest that the hon. Speaker ask for something less: two minutes. I suggest that it be tried again.

DR. BUCK: Mr. Speaker, in conclusion, I would like to say ...

MR. SPEAKER: Order please. We can't just ignore what's gone on. The *Standing Orders* are there. I asked for unanimous consent. I gave the hon. member, as I thought I should, two minutes notice for him to conclude. I really can't do any more. I thought perhaps I should put the question again, but I really don't think I should, because the House shouldn't be asked to vote twice on the same matter. The hon. minister suggested two minutes. I didn't succeed on four; I tried two. That didn't work either, and there's really nothing further I can do except call on the next member.

MR. R. SPEAKER: Let's try one.

MR. NOTLEY: Mr. Speaker, on a point of order, I do believe that you indicated you were going to assess that. I think there might be some uncertainty. There seemed to be widespread support for the idea. Perhaps if the Assembly were tested — as I think you, sir, were about two seconds away from just announcing — we might in fact find that we would have unanimous consent, and we could then be consistent. No one is suggesting it should be four minutes. I think the hon. minister suggested two minutes. It has been a long-standing practice.

I would not want us to get into a situation, Mr. Speaker — because frequently government members and cabinet ministers, and myself occasionally, have 90 minutes. I don't usually need it, but occasionally I request additional time. It has been a time-honored practice that that time has been given. I would hate to see a situation arising where, because of a precedent here, we would feel that future requests would be denied. I am not suggesting any wrong motives on your part, Mr. Speaker. I am just saying that I would not want to get us into that kind of precedent. Therefore, with the greatest respect, I suggest that the testing you were about to undertake would probably allow the House to accommodate the situation and be consistent with what has in fact been a practice.

MR. SPEAKER: I really thought I heard — it might have been a little hesitant — some dissent from the members.

MR. R. SPEAKER: You weren't sure.

MR. SPEAKER: Yes, I was. I thought of putting the question again. But I also have to be cautious, because members are inclined to take little things like that that the Speaker does as precedents. I would really find it very distressing if I had to call for the question twice on any kind of proposition. I put the question, there was dissent — there is no doubt in my mind

that there was. As I say, it might have been somewhat hesitant, but it was there. The matter is really out of my hands.

The mere fact that a custom was followed doesn't really oblige members to continue to follow a custom contrary to the *Standing Orders*. I really don't think I have been in any way unfair about it. As I say, I gave the signal, I tried it at four minutes, I tried it at two minutes, and there was not unanimous consent. I am bound by the *Standing Orders*; I simply have no choice.

DR. BUCK: Mr. Speaker, on the point of order. There is no mechanism in this Assembly for any hon. member to know exactly when his time is up.

MR. SPEAKER: Surely the hon. member can't be serious about that.

DR. BUCK: Yes, I am serious about that, Mr. Speaker.

MR. SPEAKER: A clock and a reminder. I am sorry, I can't agree.

MR. NOTLEY: On a point of order, I really don't think the question is any suggestion that the primary responsibility doesn't rest with the member or any suggestion that you did not notify the member. That's understood. The question at this stage is whether it was clear that there was dissent. It seems to me — and I say this quite respectfully — that because there has been a practice, it would not be setting a dangerous precedent to determine whether there was clear dissent or not. That's why you were about to test the meeting once more. If there is dissent, then fair enough, that's it; the member has no argument.

I would hate to see us back into a situation which would make us timekeepers on this side too, because for 12 years I remember, almost without exception — as a matter of fact, I don't remember an exception. There may be one. But I don't remember one that comes immediately to mind where we have denied unanimous consent to allow a person a minute or so. This isn't a criticism of you. I think you were rather too generous in suggesting another four minutes, because that would have been bending the rules. The point now is — the suggestion of the hon. minister was a maximum of two minutes — that we in fact follow what has been a practice of a few seconds.

MR. M. MOORE: Mr. Speaker, on the point of order. That was only my suggestion, if the House gave unanimous agreement. As you have said, sir, you did not hear unanimous agreement, so I have nothing further to say on the matter.

MR. R. SPEAKER: Mr. Speaker, on the point of order. In terms of hearing what is actually said, normal practice, as I understand it, is usually to take the ayes and the nays at two distinct periods of time. The Speaker was hearing both the ayes and sort of a guttural type of rumble that seemed to say no. It was very unclear to me if that rumble was a negative vote. If that member would like to stand up and make the same sound again, we could confirm it. It wasn't clear to me. I heard that sort of rumble. Just to make sure, it would be best to take the ayes at one time and nays alone. If the nay is there, then I guess the rules are clear. I would appeal that to you at this time.

DR. BUCK: Mr. Speaker, on a point of order. I would like the point clarified very, very clearly to members of the Assembly. If we make the decision that a person, when he runs over

his time, cannot have an opportunity to make a concluding statement — which has been the historical practice in this Assembly — does that mean that any time a minister runs over or is midstride in his speech and the clock comes down, from this day hence he will never have the opportunity to finish the sentence he has had hanging in midair? That bothers me, because we have shown that courtesy to each other on both sides of the House in the 16 years I've been in this Assembly.

MR. SPEAKER: I guess we're just going around in a circle. We have said everything there is to be said about it really. As a matter of fact, coming back to the question of custom, the custom has been to ask for unanimous consent, and that's the method I followed just a short while ago. There wasn't unanimous consent. There might have been some peculiar vibrations in somebody's throat, but it certainly amounted to no. That's the way I understood it. I really don't like to be put into a situation where I have to call twice. The hon. Leader of the Opposition has been rather persuasive, if I may say so. On the understanding that it will not be a precedent of any kind — and stretching the point perhaps into a doubt — I am willing to ask the Assembly again whether there is unanimous consent that the hon. Member for Clover Bar be granted a further two minutes, and before ...

DR. BUCK: Mr. Speaker, I'm not asking for two minutes; I'm asking for 10 seconds.

MR. SPEAKER: I know. I'd rather not put the ...

DR. BUCK: Mr. Speaker, there is a point, because I might not give unanimous consent for two or four minutes, but I would for 30 seconds, for an hon. member to make a concluding speech. That's the point.

MR. SPEAKER: I don't want to put the question. I have always thought for years — and I noticed it when I read the federal *Hansard* — that in fairness to a parliament, where they extend a courtesy like that to a member, there should be a time limit on it. Sometimes members can go on for another 50 or 60 per cent of the original time limit, and that's not fair to the House after a courtesy has been extended. That's the reason I just assumed the hon. member would be able to conclude in four minutes. If he didn't want to use it all, that was up to him.

However, as I say, the hon. Leader of the Opposition has been very persuasive, and I am prepared to ask: is there unanimous consent of the Assembly that the hon. Member for Clover Bar be granted another two minutes to conclude?

SOME HON. MEMBERS: Agreed.

MR. THOMPSON: No.

DR. BUCK: Mr. Speaker, may I answer the question the hon. Member for Camrose posed?

MR. SPEAKER: I am sorry, even for that, the time is up.

If I just might go back to what has occurred, I might say that the time limit, as it was calculated by the Clerk, was net after taking out time for some interjections.

DR. BUCK: Mr. Speaker, can we have a standing vote on your decision? I am asking you if we may or may not, if we ask for it.

MR. SPEAKER: With great respect to the hon. member, there have to be limits to these extraordinary situations.

DR. BUCK: Mr. Speaker, that's not your decision. I am asking you, Mr. Speaker, by the rules of this Assembly, are we privileged to ask for a standing vote? That's the only question I'm asking you, sir, because you are the guardian of the rules. [interjection]

MR. NOTLEY: Mr. Speaker, with respect to a motion, I don't believe there's any question that we would have the right to have a standing vote. But if not, and you rule against the standing vote, I would ask the precedents for such a decision under 12(2) of our *Standing Orders*.

MR. SPEAKER: It's a novel situation. It wasn't a formal motion, really. It's just a request for unanimous leave. Again, I am concerned about the question of a precedent. Surely we're not going to have a standing recorded vote every time a member asks for an extension of time when he's speaking. It seems to me that that would be a rather sad custom to adopt in the Assembly. I would respectfully suggest that under the circumstances we leave the matter as it is and I'll consider it further, so that if it arises on a future occasion, this won't necessarily preclude that from happening.

SOME HON. MEMBERS: Agreed.

SOME HON. MEMBERS: Question.

MR. SPEAKER: On the motion for ...

DR. BUCK: Mr. Speaker, I challenge your ruling, sir, on the vote that was taken. If three members of the Assembly stand, then we will have to ask who said the nays and who said the ayes.

MR. SPEAKER: The hon. member is entitled to do that by a motion on notice, and that will give me a chance to consider it. As the hon. member knows, when the *Standing Orders* were amended in 1973, there was no provision left in them for an immediate appeal of the Speaker's ruling. That is a custom that is true of most of the senior parliaments of the Commonwealth, as far as I know.

MR. THOMPSON: Mr. Speaker, on a point of order. If the opposition is so interested in who said no, I said no. [interjections]

MR. SPEAKER: Perhaps that will serve the same purpose, but I said to the Assembly that I will consider whether under those circumstances there may be a recorded vote. I would be astonished if that were right, but I've been astonished before.

DR. BUCK: Mr. Speaker, on the point of order. While you're looking at that ruling ... That's fine; we'll leave it.

MR. SPEAKER: I think there is a precedent on the point that says the Speaker's finding on the request is final, but I'd like to confirm that.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Adair	Harle	Paproski
Alexander	Hyland	Payne

Alger	Hyndman	Pengelly
Anderson	Jonson	Purdy
Appleby	King	Reid
Batiuk	Koper	Shaben
Bogle	Kowalski	Shrake
Bradley	Koziak	Stevens
Chambers	Lee	Stiles
Clark	LeMessurier	Stromberg
Crawford	Lysons	Szwender
Cripps	McPherson	Thompson
Diachuk	Miller	Trynchy
Drobot	Moore, M.	Weiss
Elliott	Moore, R.	Woo
Embury	Musgrove	Young
Fischer	Nelson	Zaozirny
Fyfe	Oman	Zip
Gogo	Osterman	
Against the motion:		
Buck	Notley	Speaker, R.
Martin		

Totals:	Ayes — 56	Noes — 4
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[Bill 81 read a second time]

Bill 91

Pacific Western Airlines Act

MR. M. MOORE: Mr. Speaker, I move second reading of Bill No. 91, the Pacific Western Airlines Act.

Mr. Speaker, on August 2, 1974, Premier Lougheed announced that the government of Alberta had acquired control of Canada's third largest air line, Pacific Western Airlines. On that date, Premier Lougheed said:

The Alberta government made the decision to acquire control of Pacific Western Airlines as a result of our concern that recent takeover proposals and schemes threatened the continuation of Pacific Western Airlines' capacity to expand and serve Alberta's growth needs. Almost 80 per cent of Pacific Western Airlines' revenue originates or terminates in Alberta. We wanted to assure that such a vital part of the transportation system in our province would continue to reflect the needs and interests of the people of Alberta ... One of Alberta's best long term prospects for diversification is to capitalize upon its geography as the 'gateway Province to the north'. The acquisition of Pacific Western Airlines will strengthen Alberta's ability to do so.

On that occasion, the Premier went on to say that we also intend to encourage the company to improve services to all municipalities presently served by Pacific Western Airlines, whether in Alberta or other parts of western or northern Canada, and that we would continue to support the obligations of PWA to reach its full potential as a regional carrier in Canada.

Mr. Speaker, I would like to provide a brief review of the history of Pacific Western Airlines so that members will have some appreciation of the development of that company from its origin in 1945 until the present day. Pacific Western was founded and commenced operations in 1945 as the Central British Columbia Railways Limited. Initially it provided air services for the B.C. forest service and remote mining camps and logging operations in the province of British Columbia. By 1953, some eight years later, Pacific Western had significantly expanded its operations through the acquisition of a

number of small companies. In that year, its name was formally changed to Pacific Western Airlines Limited.

In 1955 Pacific Western significantly expanded its scheduled services with the acquisition of Queen Charlotte Airlines Limited and, in addition, expanded its services as a major supplier to construction camps and that kind of operation by the acquisition of Associated Airways Limited. In 1959 the company acquired permission to serve 18 points in northern Alberta and the Northwest Territories from the city of Edmonton. By 1960 scheduled services operated by the air line had become the largest part of its business. During the 1960s the company expanded with the commencement of the airbus service between Calgary and Edmonton, that began in 1963. This was followed in 1968 by the expansion of scheduled services in British Columbia through the acquisition of a number of routes in the interior of British Columbia, and in 1970 by the acquisition of B.C. Air Lines Limited. These acquisitions enabled the company to link its route systems in Alberta and British Columbia, and by the late 1970s Pacific Western had converted its entire fleet to the jet system.

The most significant expansion of this company came after the purchase by the government of Alberta, when in 1978 Pacific Western acquired or obtained a number of scheduled routes in the prairie provinces through the acquisition of Transair Limited, a regional carrier which had been based in Winnipeg. Further expansion of Pacific Western's routes took place by licences which were obtained in 1981 to link Calgary with Toronto through Brandon, Manitoba, and to provide non-stop service between Vancouver and each of Calgary and Edmonton, and to operate a non-stop service between Edmonton and Whitehorse. Pacific Western finally entered into an agreement earlier this year to purchase shares in Time Air, which gives it a 40 per cent equity in that company.

Mr. Speaker, I wanted to review that brief history of the company to indicate three things. Firstly, the concept of expansion of Pacific Western's capabilities by acquisitions of other, smaller air lines and by new route approvals has been a long-standing one and demonstrates the continued commitment of the company to serve western Canada, including the Northwest Territories and Yukon.

Secondly, I wanted to read that history to indicate, with respect to the transactions and acquisitions which have occurred since the purchase by the government of Alberta in 1974, that we have followed the approach of operating Pacific Western Airlines at arm's length, allowing the board of directors and the management of the company not only to control the day-to-day operations of the company but indeed to continue on the path of enlarging the company and serving more and more points in western Canada.

That approach has also resulted in the government of Alberta not having provided any financing at all since the acquisition of the company in 1974, in that their financing has all been obtained outside of government and without any assistance from the government of Alberta. As a matter of fact, Mr. Speaker, it is important to note that this government has, by way of loans or guarantees, assisted several other air lines which have been in competition with Pacific Western Airlines, while asking that company to go directly to conventional lenders without our assistance.

Thirdly, I wanted to review that history to indicate to the Assembly that our purpose in purchasing Pacific Western Airlines in 1974 has, in our view, been fulfilled and will continue to be fulfilled considering the manner in which the board of directors and the management of the air line have been proceeding over these last few years.

Mr. Speaker, there is one exception to the possibility of the air line continuing in the direction it has been going these past many years, and that is if some person or group of associated persons were to acquire control of the air line and move it in some different direction. That is what Bill No. 91 is all about. It's to ensure that the control of the air line is broadly based and that no one person or group of persons obtain more than 4 per cent of the shares of Pacific Western Airlines.

In March 1983 a task force, which was appointed in the fall of 1982, reported — and I tabled in the Legislature in April of this year copies of that report — on the task of selling the government's shares in Pacific Western Airlines. The terms of reference that were given to that task force by Premier Loughheed in September 1982 were as follows:

- (1) The shares should be offered primarily in Alberta and Western Canada to a widely distributed market;
- (2) The shares must remain widely held to ensure continuing broad ownership;
- (3) The selling price must reflect the present value of the airline and be structured to permit reasonable long-term investment opportunities to the airline and its new shareholders; and
- (4) PWA should continue to be in a position to seek new opportunities to provide improved and expanded air services.

Mr. Speaker, the task force concluded on a number of these issues as follows:

A . . . that a widely distributed public offering of a combination of shares and warrants of PWA to raise up to \$60 Million could be successfully completed under current conditions with priority being given, initially, to Albertans and residents of Western Canada. [They recommended as well] that employees of PWA be included in any priority group.

Additionally they recommended that:

PWA be reorganized as a "special act" company by the Legislature of Alberta;

Again, Mr. Speaker, the purpose of Bill 91. Secondly, they recommended that:

ownership and voting restrictions not exceeding 4% be contained in such special act, those restrictions not to apply to the Government of Alberta.

Again, Mr. Speaker, one of the principles that is contained in the Act which is before the House.

The committee said as well that:

Because of PWA's success and rapid growth in a capital intensive industry and because the government desires that PWA continue to play an important role in the economy of Western Canada and because our investigations confirm the market could not support the necessary equity needs of PWA concurrently with a secondary distribution of all the Province's shares, we recommend that the public offering be in two stages. . . .

Ideally, an issue raising \$60 Million with an injection of equity capital into PWA of \$50 Million would establish a satisfactory equity base and enable [the company] to operate on a "stand alone" basis following the disposition of all the Government's shares.

Mr. Speaker, finally the committee was asked to give consideration to what the market value of the government's shares or ownership of Pacific Western Airlines was, and the committee concluded as follows:

that the realizable market distribution value of the shares of PWA owned by the Government is, at this date [that was April, 1983] in the range of \$50-\$60 Million.

Mr. Speaker, today the underwriters who are working with us on the effort not only to raise the additional equity but to complete the first-stage sale of the government shares, filed a preliminary prospectus with securities commissions in Alberta and throughout Canada that will from this date forward be a public preliminary prospectus. I will be providing copies of that prospectus, hopefully, tomorrow to Members of the Legislative Assembly.

The plan is as outlined in the task force report of April 1983: to sell the government's shares in the air line in two stages. The first stage could come as early as December 1, 1983. The process is this: the preliminary prospectus, having been made public and issued today, will result in the investment community throughout Alberta and western Canada considering the prospectus and responding to the underwriters with respect to their views of share values. That will then put the underwriters in a position to recommend to the government and Pacific Western Airlines, toward the latter part of November, what they view the value of the shares to be. At that point in time, it will be necessary for us to make a decision as to whether or not we wish to proceed. If the decision is favorable, if market conditions are favorable, the offering of Pacific Western shares could in fact take place as early as four to five weeks from today.

Mr. Speaker, I think it's important that Members of the Legislative Assembly and the public are aware that it will be our intention to dispose of the remaining shares, after the first-stage share offering, down to a level of 4 per cent, which is allowed to anyone or any government, within 18 to 36 months from the date of the first offering, that of course depending upon conditions which may exist in the market place. I want to add that it is unlikely that we would dispose of the remaining shares before 18 months, because certain arrangements have been reached with the Canadian Imperial Bank of Commerce, who are financing a very large part of Pacific Western Airlines, that the government would continue to own at least 30 per cent interest in Pacific Western Airlines for at least 18 months or until certain loans are reduced or eliminated by way of Pacific Western obtaining finance elsewhere.

Mr. Speaker, I would like to conclude my remarks with these comments. Pacific Western Airlines has a history of serving all of western Canada and serving us well. It services more points in western Canada than any other air line and, I believe, services more points in Canada than any other air line. The sale of these shares will provide the only opportunity that exists for Canadians to invest in a Canadian air line the size of Pacific Western. The company has remained profitable throughout recent economic downturns. It has a standardized fleet, principally of twin-engine 737s with an average age of four and a half years, compared to an industry average age of nine and a half years. The company is well positioned to take advantage of industry upturns. It has effective cost control measures. It has been involved in improving its surplus seat management, modernizing its fleet and expanding its promotion and advertising. Pacific Western Airlines is the lowest cost major carrier in Canada. The company has taken a number of steps to reduce its labor cost; some of them have been debated here in this Legislative Assembly. Its average annual remuneration cost per employee is \$34,000, compared to \$50,000 for United States carriers which are exhibiting some degree of financial weakness today.

In summary, Mr. Speaker, the company has an excellent staff of competent people, from ticket takers to pilots. It has a team of skilled management people backed up by a board of directors with a firm commitment to the direction that was outlined by Premier Lougheed in 1974. Our government is

confident that that direction will continue with the sale of the air line from the government of Alberta to the public of western Canada.

MR. MARTIN: Mr. Speaker, I'd like to rise and make a few comments about Bill 91. The minister alluded to some of the history; I'm sure he didn't allude to all of the history. I remember the reason given at the time for buying PWA — which, incidentally, we opposed. There was a very famous name about that time called the patio crew, that somehow made the decision that they would buy an air line. In the patio crew, there were various reasons given. We were never sure why we got into it. Some thought that that socialist from B.C., Dave Barrett, was going to buy the air line and we wanted to get in ahead of him. Of course, he had no intention of doing it.

The reason given at the time was, very clearly, to make sure that Pacific Western could be used, if you like, as a vehicle for diversification in the economy of Alberta and western Canada. That's why we bought an air line; that was the reason given. It's still hard; many people still speculate about what the real reason was. Maybe the hon. Provincial Treasurer will tell us some day the real reason that we bought the air line, but we can only guess at this point.

The point, then, that we look into in terms of the history — for many years it has been a well-run air line. As I said, we opposed buying it at the time. We thought the money could be spent in other directions. Certainly the right wing of the Conservative Party was, to put it gently, not ecstatic over the fact that they bought PWA. But anyhow, the air line went along and was fairly profitable — I expect the minister would know this better than me — one of the more profitable air lines in Canada for many years.

I think we have to recognize why we're now into selling it. I think it has to do with a political party called the WCC, which was making a lot of headway with their right wing and suggesting that the government should not be into air lines. This forced the government into making a political statement before the last provincial election, that they were going to set up a task force. I think that's the history that the minister didn't allude to very clearly, but I think that's what has happened.

In terms of the task force itself, as I see it there are some problems in what the task force recommended. As I understand it, and the minister has alluded to this in the task force, that

- (i) PWA be reorganized as a "special act" company by the Legislature of Alberta; and
- (ii) ownership and voting restrictions not exceeding 4% be contained in such special act, those restrictions not to apply to the Government of Alberta.

Obviously that's the conclusion they came to, but I think there are some criticisms about the task force's report that we can and should make here in the Legislature. First of all, they had a very limited mandate; that is, the government of Alberta looked into how to sell PWA to the public without considering whether or not it should be privatized. It seems to us that if they were having a political problem with PWA, if the logic they were giving us back in 1975 of why they had to move into public ownership — and I don't believe that was the real logic, but let's take it at face value — surely now as we're sliding into a recession, that analysis should be just as powerful as it was in '75. But again, I believe it was because of the right wing of the Conservative Party. It had nothing to do with economics.

The other point we say clearly, Mr. Speaker, is that a proper analysis should have been initiated to determine the air line's real economic value, not its market value, and how best to realize the air line's market value. For example, I have the task

force report and the terms of reference stipulate, under number (3):

The selling price must reflect the present value of the airline and be structured to permit reasonable long-term investment opportunities to the airline and its new shareholders;

The problem with that, Mr. Speaker, is that we were sliding into a recession. Is that the time we really want to reflect on the present value of the air line? As we're deeper in the recession, of course, that hurts in terms of what we're trying to do here. We may not get the maximum return on our investment as the shareholders of PWA, the people of Alberta. If for philosophical reasons they want to sell the air line, it seems to me that it would be much better when the economy rebounds. As the Provincial Treasurer says, it is just around the corner. If the economy coming back is just around the corner, maybe we should wait and sell the air line then, because it seems to me that would be a better time to do it.

The task force report says also, in number (4), that

PWA should continue to be in a position to seek new opportunities to provide improved and expanded air services.

Well, the question that would have to be asked is, why hasn't it been doing this? These are only rumors we have no way of substantiating at this time, but I'm sure the hon. minister is aware that there are rumors floating around that the reason we aren't expanding our air services and markets is that we're laying off at this particular time because we want to show a good cash flow so people will want to buy the air line.

If that's true, Mr. Speaker, that is wrong. It's absolutely wrong for the taxpayers of Alberta. We will continue to look if that's in fact the case. If we are losing markets that we could have in this time of recession and high unemployment, and this is actually happening and we're cutting back on staff to show paper profits at this specific time to make the air line look more profitable, then there's going to be a lot said about this in the future. I can assure the minister that we're looking into this.

The point I am trying to make, that hasn't made any sense to me, is that under A in the task force, and it's coming back to the original point, it says:

We have concluded that a widely distributed public offering of a combination of shares and warrants of PWA to raise up to \$60 Million can be successfully completed under current conditions with priority being given, initially, to Albertans and residents of western Canada.

Certainly I have no objections to priority being given initially to Albertans and residents of western Canada.

But again, the question I would ask the minister at some point, perhaps in Committee of Supply, is: how much better could PWA do if it waits until the recession ends? If he believes it's worth \$60 million in a recession, at a time when air lines all across North American are not doing well, perhaps the wisest economic course would be to wait, even if we want to sell it, until we get through the recession and until we're back in happy times again, according to the Provincial Treasurer. And according to the Provincial Treasurer, this is not that long away. So why are we in a rush to sell an air line in the middle of a recession, when we won't get as much for it?

The other point I would like to make is in regard to our financial advisors expressed some concern as to the adverse impact on the marketability of a share issue if ownership and voting restrictions were as low as 4%, but the Task Force, while recognizing the importance of a successful distribution of the PWA shares, are of the opinion a 4% ownership and voting restriction should be marketable.

I wonder where that comes from. On what basis did they come to this conclusion? There's no evidence about this at all that I'm aware of. It just seems to have been pulled out of the hat. I'd like to know on what basis they have come to this conclusion.

The other point that I would like to make is — it says in D(i) in the report that:

The word "value" was interpreted to mean "current realizable market distribution value" and included consideration of cash flow and earnings, as well as asset value.

Again, it seems to me not very sensible in a recession that we're trying to sell it, because of the value. Secondly, it brings back what I'm worried about — that this air line could have been expanding. We know for sure that it has expanded to the United States, but that's not very helpful to our economy here in Alberta.

The fact remains that it does make me uneasy that we have, in fact, tried to prop up the cash flow at this specific time to make this air line look better. I hope I am wrong, but there is some indication that this has happened, that we could be seeking markets in northern Canada that we have let go, that we didn't even bid on — some we could have achieved if we had been aggressive. I hope it's not the case that we were just trying to prop up the cash value again so we could sell the shares.

The other point I would like to make is that I think the original mandate of the air line, at least the one officially given to us — that we needed to expand into Alberta, especially to diversify Alberta's economy, and to a lesser degree, I suppose, British Columbia's and western Canada's. I wonder about why we went into Time Air then. For example, that was an air line that private enterprise was running very well, at least the times I rode on it. This didn't seem to follow the original mandate. Was that again part of making the profitability here rather than expanding markets? I ask the minister that.

The other point I make is that I wonder if we're moving into what I call the hybrid company, a mixture of government and private industry, where, when we stand up in the Legislature — it's not like a Crown corporation and it's not like a private corporation — and ask questions, and they say oh, no; it's a private company. So while there's still going to be government money involved, we will have no way of checking it. It seems to be the route that we are taking, for example, with the Alberta Energy Company, with Vencap, and now with PWA, where it will be beyond the realm; they'll say that's a private company. Even though we'll have government funds and the government will still be running it, we'll not be able to ask questions in this Legislature. To me, what I call these hybrid companies are the worst of all worlds. I believe a corporation is either a private corporation or it should be a Crown corporation accountable to the Legislature.

The final point I would like to make on this particular Bill is to go back and ask ... The report argues that

PWA needs to increase its capital base so as to compare favourably with industry standards, the expectations of the security market place ...

I guess the only conclusion that can come from there is that there has been a mismanagement. Why couldn't they have been doing that before? They were making profits. As I pointed out, for many years they were perhaps the most profitable air line. What stopped them from doing this to begin with?

The other point that I would make ... It says:

wide distribution [of shares] would ... ensure meaningful representation at regulatory and political levels.

But the report itself concedes and concludes that

a widely distributed initial offering of shares will not of itself prevent a later take-over bid by a party who is

uncommitted to the goals of PWA as a Canadian regional airline.

The point we're trying to make is: if we go back to 1975 and take the official government line — that we wanted to use it to protect our own economy and the economy of western Canada — once we start this, what's to prevent PWA at some point in time, with a change in the Legislature or whatever, from becoming a carrier that has nothing to do with our economy? When we're talking about diversification, when clearly the government line in 1975 was diversification, I just don't understand why that has changed at this time. At the time, the patio crew said they didn't do it because they needed something to do with all their money or they were worried about Dave Barrett. They said they wanted to use it as a diversification tool. I say clearly: in a time of recession, when we know this economy is not diversified, why the change now? If it was valid in 1975, in the boom times, to use this as a vehicle for diversification, if we follow the government line, I do not know what the change is now that would make this less a goal of the government.

If for philosophical reasons, Mr. Speaker, they feel they want to get rid of PWA because the right wing has taken over — and they were scared of the WCC before the election — but they now feel a necessity to do it, rather than selling it at least let's wait until the economy rebounds, so the air line is worth what it should be. It makes no economic sense to me at all to sell an air line in the middle of a recession. We'll take the Provincial Treasurer at his word, because he says the recovery is just around the corner. Why can't we put this sale off just those few months until we're back in the chips again, as the Treasurer indicates?

So for those reasons, because they haven't been answered, I'll wait and see what the minister has to say, perhaps in Committee of the Whole. But for those reasons, unless I can be convinced differently, I intend to oppose this Bill.

MR. NOTLEY: Mr. Speaker, I thought there would have been more debate on the part of government members. What we have here is the Pacific Western Airlines Act, but it might well have been a way to outmanoeuvre the WCC act before the last election. There is no question that this government was frightened by the inroads the WCC made in the spring and winter of 1982, so they decided to try to carve out a little free-enterprise niche by putting PWA up for sale. That might have been clever politics, but I think we have to ask ourselves whether the sale makes sense at this time.

Mr. Speaker, in 1974 we learned one day that the government of Alberta had bought PWA — not, I might add, as a result of thoughtful debate in this Legislature and not as a consequence of a legislative action. How did we buy PWA? The patio crew made a decision, and the next day we owned an air line — the kind of short-circuiting of the democratic process which we have come to see as one of the ways in which this government does closed-door business in Alberta. If they wanted to get into the air line business in 1974, they should have come to the Legislature and explained why they had decided to get into the air line business.

Mr. Speaker, it is worth reflecting on the arguments that were presented in 1974 about why it was so necessary to acquire PWA. We were going to be the gateway to the north, we were going to provide better service to the north, and we were going to use it as an instrument of economic diversification: all the things we were going to do. We were going to get into the charter business. We had the former Minister of Agriculture and Deputy Premier talking about how we were going to be shipping livestock all over the world by charter air line. It was

really heady material, that was presented after the fact, I might say, because none of this was presented to the Legislature before we made the decision. It was all done in November 1974, when the Legislature reconvened, and we had these justifications presented as to why we purchased an air line.

I said in 1974 that, even as the leader of a social democratic party, I would not have seen \$40 million used to buy PWA at that time. In terms of public ownership, I think there are other areas that are far more important to the central operation of the economy of this province than an air line that we were afraid Dave Barrett was going to buy if we didn't get right in there and snap it up — even if we paid too much for the shares.

Having said in 1974 that I didn't think we should have jumped at the chance to buy an air line, the question is: what have we done with it in these last nine years? Mr. Speaker, before we finalize this Bill, I think we should just take an opportunity to assess what we have done with that air line in the last nine years, whether the cabinet decision — by-passing the Legislature as usual — to purchase an air line and get us in the air line business has led to the better operation of PWA.

I would have to tell you that in terms of northern service, the service in 1982 to Peace River is no better than it was in 1974. After the government took over the air line, despite the promise of better service, in fact we have fallen back. The minister may say that that is because of economic conditions, that times have changed. As a matter of fact, Mr. Speaker, at one time several years back we had two PWA flights a day to Peace River. Now that has been pushed back to the pre-1974 situation of one flight, and that only on weekdays, not on Saturday and Sunday. As a matter of fact, I remember flying to Peace River with the hon. minister on a Saturday. That was when PWA flew on Saturdays to Peace River. We haven't seen that for about seven or eight years. Let me tell you that the situation has not improved as a result of this government jumping into the air line business, saying we're going to buy an air line and we're going to make it the gateway of the north — unless all of a sudden Peace River is no longer much of a gateway. But that wasn't what we were told in 1974.

Mr. Speaker, I want to reflect on a couple of other aspects of this government's management of PWA. I want to deal with morale and with the question of offset agreements, because that's all part and parcel. We are now going to sell PWA, and we have to assess how this government has handled the operation of PWA. Let me say that it is always interesting to hear the government try to justify its relationship with PWA. Even though it's a Crown corporation, owned all but for a share or two by the government of Alberta, whenever there were any hot potatoes, whenever PWA was getting itself into apparent trouble, the minister would say: well, I can't answer that, that's a detailed question; go to the chairman of the board of PWA, and he will give you the answer. Whenever there was good news, which wasn't very often, the minister would be quite pleased to present us the good news. But, typical of this government, good news will get in the Legislature, bad news is somebody else's responsibility.

Among the elements of bad news which I think have to be assessed at this time is what has happened to the morale of the people who work for PWA. We have had pilots come to see us, and they have said: look at what this government is doing to PWA; they told us in 1974 that we were going to get into the world charter business, but they are not following up on charter opportunities because they can get a little better revenue picture in the short run, so they can make this thing a little more saleable, by leasing airplanes to an American air line. That's a rather peculiar situation, Mr. Speaker, for a Crown-owned air line to purchase airplanes and then suddenly go into

the leasing business, especially when we have the pilots who fly these things and who have some sense of where they have been successful in the past and where they haven't — after all, the leadership of PWA originally came from some of the pilots in that firm. These people are saying, look, we're missing opportunities because we want to make this thing more saleable in the short run. It has led to a very serious morale problem.

One of the observations I'd like to make at this time that we've had from pilots — I gather some 51 pilots have been laid off in the last several years by PWA — is that, in their view, there are opportunities to expand the business. But the concern they expressed to us — and I raise it in the House because I think it has to be addressed now — is that with the serious overtime that the remaining pilots are working ... They have told us that if you wonder why it is that PWA is often late, it is because they have too few people. Those of us who travel on PWA to the north and people who go between Edmonton and Calgary know that lateness is unfortunately an element of PWA that is one of the problems. In an effort to try to make the books look better in the short run, this government and the air line are in fact cutting back the qualified people who are the centrepiece of any effective air line operation.

Mr. Speaker, when pilots come to me and say — and I know every group of people has its own axe to grind. I know that government members have their own axes to grind. We just saw that a little while ago. Everyone has their own axe to grind. But when pilots come and say, we've got problems with morale, that worries me because tens of thousands of people a year have to rely on the morale of the people who work for that air line.

That's the first thing I want to leave, Mr. Speaker. I want to say it during the course of second reading of this Bill because we've had representation specifically from the pilots about the internal operations of that air line.

The second thing I want to reflect on for a moment is to go back to 1974 and ask ourselves: did this government use PWA in an effective way to diversify the economy of the province? That was one of the arguments they presented for jumping into the air line business. Well, Mr. Speaker, when PWA acquired the 767s, they could have undertaken some kind of arrangement to have offset contracts undertaken by Alberta first. We've got — I wouldn't exactly call it a large aerospace industry, but we have two companies, one in Edmonton and one in Calgary, that employ large numbers of Alberta workers in the aircraft business.

Representatives of those workers have come to us, and I presume that they've gone to the government caucus, and they have said: you know, when you acquire 767s you can work out offset arrangements with local contractors, because Boeing does this as a matter of course around the world. When British air lines purchased 767s — I'm just going from memory — my recollection is that for the aircraft purchased by BAC, something in the figure of 50,000 jobs were created in the British aerospace industry through offset arrangements. Boeing, once they got the contract to deliver 747s to BAC, would say, okay, but we will farm out the galleys and we'll farm out this and that, subcontracts to British firms so that they put British people to work. Margaret Thatcher — whom I'm not exactly overly fond of from a political point of view — and her government were shrewd enough to realize that offset agreements are part of large purchases.

Mr. Speaker, when this matter was raised in the Legislature a year and a half ago and I listened to the Minister of Economic Development at the time respond, I got the impression that what we did was basically go down with a bag full of money

and say, here we are from the government of Alberta with our heritage trust fund; what can we buy for a couple of hundred million dollars — without any reflection upon the need to bargain with that aircraft manufacturing firm and say, okay, if the British have offset arrangements, we want to have offset arrangements too, so that Field industries in Calgary and Northwest Industries in Edmonton are going to be able to obtain contracts to supply a good portion of the work that can be fitted in with the purchase of those airplanes.

Mr. Speaker, if this government had been serious about offset arrangements, if they'd been serious about using the purchase of PWA in 1974 as an effective way of diversifying the economy of Alberta, then we would have had a policy on offsets. Right now we've got almost 150,000 people out of work because of the desperate economic situation in Alberta, a situation that grows steadily worse despite the best efforts of the Provincial Treasurer to make the bad news seem like the sun is peeking through the storm clouds. But if this government had been serious about diversification, we would have had a policy dealing with offsets. When you buy the huge purchase order of planes that we did from Boeing aircraft company and not work out offset arrangements, one really has to wonder where this government has been. It isn't good enough to say, oh, but that's the responsibility of the chairman of the board. The chairman of the board answers to this government. Since 1974 PWA was totally owned by the government of Alberta, and a justification for the purchase was to diversify the economy of the province. Mr. Speaker, when they don't do that, when they fail to do that, then in my judgment the responsibility has to be directed to where it belongs. That's to the minister in particular and the government in general.

I want to add several other points on this important Bill. In Alberta we have a real problem, that I think we have to address, when you look at the air line business. I'm not overly happy, frankly, with what I hear about the new relationship between Time Air and PWA. My own feeling is that the very worst thing we could get into is to have either a public or a private monopoly. Over the years, I've supported a much larger degree of public ownership than other members of this House. But let me tell you, when I look at TCA, Trans-Canada Airlines, which became Air Canada in 1961 — you could fly anywhere in this province on TCA. You could fly to Lethbridge, to Medicine Hat. You could fly anywhere in Alberta on TCA. What has happened is that they have moved out into the more lucrative markets and have left these other communities without any kind of service. Until Time Air started — look back yourself, Mr. Speaker, to what the situation was in the early '70s in Lethbridge and Medicine Hat, before Time Air began regular flights. We didn't have any regular service in this province.

The problem that I see in this newly co-ordinated PWA is that they, too, are going to look at where they can make the most money. They're going to look at the lucrative markets. They're going to be assessing routes, whether it be from Edmonton to Peace River, to Rainbow Lake, which Time Air now serves. They're going to be saying: well, can we really make any money going up to Rainbow Lake; maybe we should shuffle that out of the picture?

Mr. Speaker, we now have in Alberta a relatively efficient system of minor air carriers. We have Wapiti in the north and several other smaller firms in the picture. Until recently, we had Time in a position where they offered some genuine competition to PWA. What concerns me is that in any kind of arrangement that would see Time either dominated by or significantly influenced by PWA, we would then have the sort of normal rules of the game applying, which are that we attempt to maximize our profits by serving those areas where we can

make money. And the minister will say: but of course the hon. Member for Spirit River-Fairview is gilding the lily; he's exaggerating; you know you have to get runs and you have obligations under the CTC, et cetera. But we know what has happened with the major air carriers. We know what the major air carriers have done with respect to the smaller communities.

I for one would not be prepared to support any legislation until I have a pretty clear statement from this government on what they propose to do to ensure that we have competition, that we have continued service to the smaller communities, that we don't get into a situation where all of a sudden the balance sheet will be the determining factor. That balance sheet will lead inevitably to smaller communities losing their service.

Mr. Speaker, I have several other comments that I want to make on this Bill, so I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The motion is carried.

MR. YOUNG: Mr. Speaker, perhaps I could indicate that by way of House business tomorrow evening, the second readings will continue and, if there is time, we will move into committee for committee study of Bills on the Order Paper.

[At 5:30 p.m., pursuant to Standing Order 5, the House adjourned to Thursday at 2:30 p.m.]