

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, March 28, 1984 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 241
An Act to Amend the
AGT-Edmonton Telephones Act

MR. MARTIN: Mr. Speaker, I beg leave to introduce Bill 241, An Act to Amend the AGT-Edmonton Telephones Act.

This Bill would simply repeal section 7 of the AGT-Edmonton Telephones Act, the section that prohibits AGT sharing any long distance toll revenue with Edmonton Telephones. It is also the section which prohibits Edmonton Telephones' paying AGT any money toward equalization of rural rates. We feel that if this were repealed, there would be a settlement that all Albertans would be glad of. [interjections]

MR. SPEAKER: Again, the addition to the statement of introduction of the Bill does not form part of the vote on first reading.

[Leave granted; Bill 241 read a first time]

Bill 28
Appropriation (Interim Supply) Act, 1984

MR. HYNDMAN: Mr. Speaker, I request leave to introduce Bill No. 28, the Appropriation (Interim Supply) Act, 1984. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

This Bill is the traditional Appropriation (Interim Supply) Act for the purpose of funding government operations after April 1, 1984, pending consideration of the estimates and the full Appropriation Act, to be dealt with later.

[Leave granted; Bill 28 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. MUSGREAVE: Mr. Speaker, I have pleasure in tabling the 1983 annual report of the Alberta Research Council.

head: **INTRODUCTION OF SPECIAL GUESTS**

MRS. LeMESSURIER: Mr. Speaker, I have the honour today to introduce to you and to members of the Assembly 50 students who are studying business education at the Alberta Vocational Centre situated in Edmonton Centre. They are accompanied today by Mrs. Williams, Mrs. Gammie, and Mrs. Penrose. I ask that they rise and receive the warm welcome of this Assembly.

MR. WEISS: Mr. Speaker, it is my pleasure to introduce to you, and through you to members of the Assembly, eight young ladies from the 1st Plamondon Girl Guides Company. They are accompanied by their group leaders Anita Gauthier and Becky Schaub. Plamondon is located in the heart of the Lac La Biche-McMurray constituency. I assume they are seated in the public gallery, and I ask that they rise and receive the cordial welcome of the Assembly.

MR. McPHERSON: Mr. Speaker, it is my pleasure today to introduce to you, and through you to hon. members of the Assembly, some 40 adult students who have seized the opportunity to continue their education in the college preparatory program at Red Deer College. Our students are accompanied today by their instructors Denzel Garrett and Michael Cord. I ask that our ladies and gentlemen please rise in the public gallery and receive the accord of the Legislative Assembly.

MR. PURDY: Mr. Speaker, it's my pleasure to introduce to you and to members of the Assembly a number of girls in guiding from the Poplar Grove district of Spruce Grove. Accompanied by their leader Leona Heuver and by Judy Saramaga, Angela Curran, and Fran Wamsley, they are in the public gallery. I ask them to rise and receive the warm welcome of the Assembly.

DR. BUCK: Mr. Speaker, four people from my constituency are here to watch the Legislature in action this afternoon: Bill, Magdalene, Michelle, and Christopher McDowall. I believe they are in the public gallery. I would like them to rise and receive the welcome of the Legislature.

MR. DROBOT: Mr. Speaker, it is my pleasure and privilege to introduce to you and to members of this Assembly 13 St. Brides 4-H Club members. They range from ages 11 to 15 and are accompanied by their group leader Don Shepert, Robert LaFrance, and bus driver Roger Theroux. Their 4-H motto is: you learn to do by doing. They are shining examples of that motto. They are seated in the public gallery, and I would like them to rise and receive the warm welcome of this House.

head: **MINISTERIAL STATEMENTS**

Department of
Hospitals and Medical Care

MR. RUSSELL: Mr. Speaker, during his presentation of the Budget Address, my colleague the hon. Provincial Treasurer made reference to capital funding for new hospitals in Edmonton and Calgary.

Since 1971, significant improvements have been made to the two metropolitan hospital systems. First, ongoing rehabilitation and upgrading has occurred at all hospitals in Edmonton and Calgary. Second, hundreds of millions of heritage trust fund dollars have been invested in the Mackenzie Health Sciences Centre, the Foothills cancer centre, and the southern Alberta children's hospital. Third, both the Edmonton and Calgary hospital area planning councils have completed comprehensive bed needs studies, outlining future bed requirements for various growth scenarios. Fourth, the boards of the live large existing hospitals have all completed master plan programs, outlining total future capital requirements. Fifth, the government has acquired sites for four future new hospitals and has now completed the design of the hospital buildings.

During the same period, effective bed ratios — that is, the number of active treatment beds per 1,000 population — have decreased in Edmonton from 5.6 to 4.2 and in Calgary from 5.6 to 3.6. However, these drops have been accompanied by improvements in outpatient services, day surgery, and home care programs, and by increased efficiency in bed utilization.

The substantial population growth that has occurred since the late '60s has been primarily in the new suburban communities in the metropolitan centres. This means that each year, more and more persons are travelling longer distances for hospital services. Another very important feature of population trends is the ever-increasing percentage of the elderly, and the resulting large and increasing demand for auxiliary and nursing home facilities for our seniors now and in the years ahead.

Given the described background, the decision has been taken to immediately commence the construction of two new 500-bed community hospitals, one in the Mill Woods community in Edmonton and the other in the Properties in northeast Calgary. The hospitals are scheduled for completion by May 1987, at a total estimated investment of \$280 million.

Mr. Speaker, there are some unique and interesting details to the program. In Edmonton arrangements have been made with the owners and the board of the General hospital to assume responsibility for the ownership and operations of the new hospital in Mill Woods, when it is complete. The Grey Nuns of Alberta and Les Soeurs Grises de Montreal and the board have agreed to transfer their acute care programs to the new Mill Woods hospital. We are exploring ways of renovating and rehabilitating the existing hospital with the sisters and the board. It could provide supporting services for the Youville pavilion and substantial additional auxiliary beds. The need for some psychiatric and emergency services for the Edmonton core area is also being examined for the present General hospital site.

This agreement means that the sisters can continue their pioneering tradition of bringing hospital services to new areas in Alberta and, at the same time, substantially expand their excellent role in the care of the chronically ill and aged. Their thoughtful co-operation is very much appreciated.

In Calgary a similar arrangement is now under discussion with district board No. 93, involving the existing Holy Cross hospital. The objective is to have that board assume responsibility for the new northeast hospital and to rehabilitate the existing Holy Cross hospital into a facility accommodating auxiliary beds and probably emergency, psychiatric, and other special services for the core area. The full commissioning of the nearby Colonel Belcher hospital and the completion of the Rockyview hospital next year will obviously have an impact on what will be the best future role for the Holy Cross hospital.

Finally, Mr. Speaker, the boards of the Royal Alexandra and Misericordia hospitals in Edmonton and of the Calgary General are being given funds to immediately start planning for substantial upgrading programs, which could involve capital investments totalling many millions of dollars.

In conclusion, Mr. Speaker, the program which I have outlined today has the following features: it quickly replaces two existing metropolitan hospitals, both in need of very substantial upgrading, with two new 500-bed hospitals; it brings active care services to the new growth areas and expands auxiliary and other services to the older core areas; it maintains emergency and other services, as required; it involves existing hospital owners and boards with long histories of successful services and experience; it starts other major metropolitan boards on developing master plans for appropriate rehabilitation programs; it is flexible and can quickly be adapted to any variety of future population trends; it provides jobs and significant activity now, for the Alberta construction industry; and it

assures that Albertans will continue to enjoy the highest level of hospital services in Canada.

head: ORAL QUESTION PERIOD

Provincial Budget

MR. NOTLEY: Mr. Speaker, I'd like to address my first question to the hon. Provincial Treasurer, and it might be generally directed in the area of surprises. Just a word of explanation. The day after last year's budget, we heard about the shelter allowance changes; four days later, the user fees; then last fall, the 13 percent increase in personal income tax. My question is, could the Provincial Treasurer advise the House whether he has developed a list of surprises for 1984-85?

MR. HYNDMAN: No, Mr. Speaker.

MR. NOTLEY: I'm glad to hear that, Mr. Speaker. Could the Provincial Treasurer further elaborate in the House whether it will be the intention of the government to follow the procedure of 1982 when, a few weeks after the 1982 budget was presented, we had a mini-budget, or at least a reassessment of the income schedule?

MR. HYNDMAN: Mr. Speaker, there are no plans in that direction. I would mention, though, that hon. members know there are always a number of economic variables. The extent of utilization of the hospital and health system is not predictable for the year at this time, decisions that may be taken by arbitrators with respect to public-sector wages and salaries are of course not predictable and, indeed, government revenues from natural gas exports are not predictable as well. Decisions made in that area are not made in the province of Alberta. So those variables always remain.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given the fact that there is now some speculation about changes in government incentive programs for the energy industry, will there be any announcement with respect to either continuation of existing programs or development of new programs, which may have budgetary implications during the current year?

MR. LOUGHEED: Mr. Speaker, the Minister of Energy and Natural Resources will be making an announcement on that subject tomorrow. I believe the conclusion that will be reached relative to the budget will be that, to use the phrase of the hon. Leader of the Opposition, it will not have "budgetary implications" in the sense of the budget as a whole.

MR. NOTLEY: We'll wait and see whether we have a surprise tomorrow, Mr. Speaker.

The Provincial Treasurer noted the impact on medicare. More specifically, could the Provincial Treasurer advise the Assembly what consideration is now being given to the impact of the Canada Health Act, upon its passage and proclamation, on the budget of the province of Alberta? Has there been any consideration of that specifically?

MR. HYNDMAN: Mr. Speaker, there's nothing I can add to the policy position as stated in recent weeks by my colleague the Minister of Hospitals and Medical Care with respect to that issue. The Bill which he suggests is not yet law. I've indicated in the budget speech that the contributions of the federal

government in that area have been decreasing and we'll have to wait and see what the situation brings.

MR. NOTLEY: Mr. Speaker, a supplementary question. So we don't have any nasty surprises, at this point in time would the minister be prepared to rule out any increase in health insurance premiums this year, or perhaps an experimentation with the concept of deductibility?

MR. HYNDMAN: That's an odd form of budgeting proposed by the hon. socialist leader. But I would simply say that barring any expenditure or revenue shocks and bearing in mind the variables I mentioned, I would see stability in the revenue situation during the fiscal year.

MR. MARTIN: A supplementary question, Mr. Speaker. The first highlight mentioned by the Treasurer last night states: "a reduction in government expenditure from last year's level, the first in ...40 years". Would the hon. Treasurer confirm that this is not correct, that there is in fact an increase of \$81 million from last year's actual expenditures?

MR. NOTLEY: Actually cooking the books again.

MR. SPEAKER: Let's deal with budget debate when we debate the budget.

MR. MARTIN: Mr. Speaker, let me follow up then, because I thought the first highlight was rather relevant in what he had to say yesterday. In previous years the estimates book included the forecast of expenditures for the previous fiscal year. Why did the government change it this year?

MR. HYNDMAN: Very simply, Mr. Speaker, because the accurate forecast is comparing estimate to estimate. That is the way it has been done, and that's the way that gives the accurate estimate as comparing to the two separate years. We'll continue to do that every year, so there wouldn't be a change and there wouldn't be a difference that wouldn't be accountable and very visible.

MR. MARTIN: A supplementary question. What did you do differently last year? Why the change this year?

MR. NOTLEY: Because the figures look better.

MR. HYNDMAN: It's because the comparable figures are estimate to estimate.

MR. NOTLEY: Mr. Speaker, one thing the hon. Provincial Treasurer could do is, whatever looks best will be the way it's reported.

MR. SPEAKER: Order please.

Gas Plant Reclamation — Pincher Creek

MR. NOTLEY: I'd like to direct a second question, if I may, to the hon. Minister of the Environment. The Gulf Canada reclamation plan for the Pincher Creek gas plant includes a list of a number of contaminated substances which must be removed from the plant sites. Could the minister advise the Assembly whether any of this contaminated material is being removed to the Cowley landfill site?

MR. BRADLEY: Mr. Speaker, with regard to the reclamation at the Pincher Creek Gulf plant site, a number of studies are

ongoing there. What is being proposed is a staged reclamation. They will be looking at the sulphur block first. I believe there may be contaminated material from the sulphur block, which is proposed to be deposited in the Cowley landfill.

MR. NOTLEY: Mr. Speaker, a supplementary question. Has the hon. minister assigned an official from the department to review on a daily basis the cleanup of the Gulf site, in order to ascertain what material is going where, particularly with reference to the minister's last response?

MR. BRADLEY: As I indicated, Mr. Speaker, there is a staged approach to the reclamation of the Pincher Creek Gulf plant. There has been an application for a fertilizer operation there. In terms of how this will proceed, the sulphur block will be reclaimed first of all. Secondly, we have yet to receive the proposed reclamation plan for the plant site itself. It would be the second area which would be reclaimed. Thirdly, the area surrounding the plant site area: there are continued investigations going on, and we expect that later in 1985 Gulf will be coming forward to us with a proposal for reclamation of the area beyond the actual physical operation.

MR. NOTLEY: My question, however, was with respect to the Cowley landfill, in view of concerns about dump trucks taking material from the Gulf site to the Cowley landfill. In particular, has there been any effort by the department to monitor that process, and would that monitoring include ground-water monitoring adjacent to the Cowley landfill, not the Gulf site?

MR. BRADLEY: Mr. Speaker, I'm very familiar with the Pincher Creek-Crowsnest regional waste management site at Cowley, having been involved in the setup of it. Yes, there is ground monitoring in place with regard to that specific landfill site.

Provincial Budget (continued)

MR. R. SPEAKER: Mr. Speaker, my question is to the Provincial Treasurer. When the Provincial Treasurer knew that a 13 percent personal income tax increase was imposed to finance his 1984-85 budget, why did he lie and say there was no ...

SOME HON. MEMBERS: Order.

MR. SPEAKER: Order please. The hon. member has been a member of this Assembly long enough to know that in the first place, that is not a question; it's a blatant accusation. Secondly, it is blatantly unparliamentary. I must respectfully ask the hon. leader to reconsider that remark. I don't think it should be allowed to go by.

MR. R. SPEAKER: Mr. Speaker, on a point of order. This is the first opportunity I've had to raise in this Legislature that question of deception that occurred last night. If the hon. Provincial Treasurer feels that that was not a deception, then withdraw the 13 percent tax. Or tell the truth at this point in time, that ...

MR. SPEAKER: Order please. The hon. Provincial Treasurer, it is true, has two functions in this House. He's an elected member of the House, and he is also a member of the House as representing a constituency. Regardless of his function,

whether he were a medical doctor and charged with malpractice in the House, that also would be out of order.

The hon. leader knows that he is not entitled to accuse any other member of the House of either deception or lying. That is not acceptable. That is probably the most commonly illustrative unparliamentary remark illustrating what should not be done among members of this Assembly, who are elected and sent here by their constituents to operate a parliament and to behave themselves within the ordinary courtesies of all respectable parliaments.

MR. R. SPEAKER: Mr. Speaker, on the point. It is my strong feeling that the public of Alberta has been misled. I've raised the matter in this manner, saying it as I saw it . . .

MR. SPEAKER: Order please. I regret to interrupt the hon. leader. I realize that most unparliamentary remarks are made as the result of strong feelings. As far as I know, it is very seldom that an unparliamentary remark is made flippantly or for the sake of dramatic effect. So I accept the hon. leader's statement that in this case he has made this remark under some, as he describes it, strong feeling. Nevertheless, that does not absolve me of my duty or absolve him of his responsibility to deal with the remark further.

MR. R. SPEAKER: Mr. Speaker, at this point in time I don't know any other way to describe the circumstances that occurred. I feel I am sent to this Legislature to assure my constituents and other Albertans of the truth of various statements that are presented here and, if I feel they're not true, to question those statements. That's what I'm doing at the moment. The information that went out to Albertans last night was not as it actually should be, Mr. Speaker, and I can support that by other statements made by the Provincial . . .

MR. SPEAKER: I heard what he said, I heard what the hon. Provincial Treasurer said last night, and with great respect to the hon. leader, I would say that the position he has taken is debatable. There would probably be a considerable number of other members in the House who would take a different point of view. But whether it is debatable or not, it is simply not acceptable in any self-respecting parliament for one member to accuse another member of lying or call him a liar, even if he is lying. [interjections]

DR. BUCK: Mr. Speaker, that's some peculiar reasoning. When a person in this Assembly, an elected person, stands in his place and tells the Assembly and the people of this province something that is not correct, what would that term be?

MR. SPEAKER: The term would be that it wasn't correct. The term would not be that it was a lie.

DR. BUCK: You mean there's a difference?

MR. SPEAKER: Yes, there is. Surely it is obvious that a lie is a deliberate untruth and, even if that happens to occur — and by no means am I suggesting that it has — it's one of those things in which we are not allowed to sit in judgment on each other in this House and condemn each other in that fashion. That's the long and the short of it.

The hon. Member for Clover Bar and the hon. leader of the Independents are fully aware that there is absolutely no way in which we can shift the question from what has been said to the thing it has been said about, because it is just not acceptable

in any parliament to accuse another member of a lie or of being a liar.

MRS. CRIPPS: Mr. Speaker, on a point of order. Last November 21 we had two standing votes in this House, which passed the Income Tax Act and which the hon. member is speaking about. Just because he wasn't here to stand up and vote . . .

MR. SPEAKER: Order please.

MR. MARTIN: How many of them weren't there? The Premier wasn't.

MR. SPEAKER: With great respect to the hon. Member for Drayton Valley, what is at issue here is not the substance of what occurred but the way it was described.

MR. R. SPEAKER: Mr. Speaker, I have had a moment or two to consider the matter and, as far as I'm concerned, the matter is serious. In terms of the discussion that's going on, I think the Provincial Treasurer should reconsider some of his statements made last evening. When he's prepared to do that, I'm prepared to reconsider my position. [interjections] Under those terms, Mr. Speaker, most likely you may have to take certain actions with myself. If that is the only option, I guess I have to live with those consequences.

MR. SPEAKER: That really is not the only option. I'm sure the hon. leader of the Independents will recognize that when a member calls one of his colleagues a liar, we don't go to the member who has been thus accused and say: look, if you'll change what you said, then I'll take back what I said about it. That is really not acceptable.

I must really ask the hon. member to seriously consider what he is saying. He is sent here by his constituents, as he very correctly pointed out, to represent them in the House, to represent them in the House in a parliamentary way. I'm sure none of his constituents sent him here to be in the House and to act in an unparliamentary way.

I know that what he said was said, as he mentioned himself, under the constraint of feeling fairly strongly about something. I'm sure he would be able to consider that and withdraw the remark. Of course, if he wants to express strong opinions about the budget speech in a parliamentary way, he's going to have ample opportunity.

I really would respectfully ask the hon. member, and say to him that I would consider it a favour — I know that what I am asking him to do is difficult, but I certainly respect hon. members who overcome a difficulty of that kind and deal with the matter in the best traditions of this House.

MR. R. SPEAKER: Mr. Speaker, I find myself in a very difficult position, partly in due respect for your office. But on the other hand, a very difficult position because of the matter at hand, which is a serious one and must be exposed. If I retract my remarks at this time, as you have requested, that means my first opening statement was not a statement that I meant and had deliberately prethought. I did mean that statement. That puts me in a very difficult position.

I would have to say that under those ground rules, I find it difficult to make a statement of withdrawal at this time.

MR. SPEAKER: Then I respectfully suggest that the hon. leader is under a misapprehension. First of all, I agree with him that he may feel he is in a difficult position. May I say very candidly that I have the same feeling in regard to myself.

As I see it, withdrawal of a remark like that does not mean that the person who has withdrawn the remark has changed his opinion. It simply means that the remark was not parliamentary, and it's withdrawn for that reason. I am not suggesting that if he does withdraw the remark, the hon. leader is saying that he didn't mean it, that he didn't think the way he was talking, or that he wasn't expressing his mind. He is simply acknowledging, out of respect for the House and its traditions, that it's an unparliamentary remark, and therefore it's withdrawn. That's all it means.

MR. R. SPEAKER: Mr. Speaker, with that explanation and with due respect to your office and the rules of *Beauchesne*, which outline the use and disuse of the word "lie", I'll respect it on that basis and withdraw the remark, with due respect to the legislative system here.

MR. SPEAKER: May I sincerely express my thanks to the hon. member — in addition to the high respect in which I have always held him.

DR. BUCK: Supplementary question, Mr. Speaker. Is the Provincial Treasurer in a position at this time to indicate to the people of Alberta and this Assembly that in fact what he said last night about no new taxes being brought in, in 1984 — would the minister consider retracting that statement so that we could all be telling the truth?

I would like to ask the Provincial Treasurer if he's giving any consideration to enlarging upon his statement in this Assembly last night that there were not any new taxes imposed in last night's budget and in this fiscal year? Would the minister like to consider it?

MR. SPEAKER: Fair enough, without its previous appendix.

MR. HYNDMAN: Mr. Speaker, there's nothing more that I can add but the very succinct statement in the budget speech of last night, which says:

The highlights of the 1984 ... budget are:
— no new taxes and no increases in existing tax rates;

DR. BUCK: A lie's a lie.

MR. SPEAKER: Order please.

Hospital Services

MR. ANDERSON: Mr. Speaker, my question to the hon. Minister of Hospitals and Medical Care comes from the ministerial statement given earlier today, in which he indicated that the Holy Cross hospital would probably remain with emergency, psychiatric, and other special services for the core of the city. Could the minister indicate when those actual decisions will be made and what kind of time frame he's generally looking at, with the change in function of the Holy Cross hospital?

MR. RUSSELL: Mr. Speaker, we face a very serious problem with respect to the Holy Cross hospital. The program of renovations submitted by the board is estimated to cost \$162 million, and we can build a complete new hospital for \$141 million. Therein lies the basis for some of the economic reasoning behind the discussions that we've commenced with the board.

As I tried to indicate in the statement earlier today, it's a complex situation in the central core of the city of Calgary. We don't know exactly how patient and doctor patterns are going to change as a result of the Colonel Belcher becoming

fully commissioned or the commencement of the new 500-bed renovated Rockyview hospital coming into operation. But we have certainly at least two years, and perhaps more, before it's necessary to make a final decision on the best future role for the Holy Cross hospital.

As far as I'm aware, the board through its news release of today and the government through its statement of today are on exactly the same wavelength, in that we're going to use the time to explore the best means of using that fine old institution, the Holy Cross.

MR. ANDERSON: Mr. Speaker, just for clarification. Is the minister guaranteeing this House that before a significant change in function takes place with respect to the Holy Cross, discussions will take place with the doctors, the hospital boards, and citizens who might be affected?

MR. RUSSELL: Yes, I think I can give that assurance, Mr. Speaker. The board, of course, is there to represent the best interests of the citizens and the patients of the hospital. The interests of the medical staff are represented through the two members of the medical advisory committee, and they have already been given some early indication of what might be in store by way of discussions during the coming months.

MR. ANDERSON: Mr. Speaker, one further supplementary for clarification. Is the minister indicating that citizen groups who may be interested in making a presentation as to what should happen with respect to the hospital, should do so through the board of the Holy Cross hospital?

MR. RUSSELL: Mr. Speaker, I hadn't addressed my mind to that kind of detail. But I am sure that in the coming months, the board and our own office will be very interested in hearing the legitimate concerns, interests, and ideas of any of the user groups of the Holy Cross hospital.

MR. LEE: Mr. Speaker, a supplementary question. Can the Minister of Hospitals and Medical Care advise whether the present emergency department can operate adequately in conjunction with an extended care hospital?

MR. RUSSELL: No, I can't answer that question, Mr. Speaker. That's something we're going to be examining in a fair amount of what I call exciting detail during the coming months, with the boards of both the Holy Cross hospital and the General hospital in Edmonton. There are some very new and exciting trends developing, by way of trauma centres as opposed to the traditional emergency ward. We want to look at all alternatives and possibilities so that we make sure the citizens of all neighbourhoods continue to receive the very best by way of hospital services.

MR. LEE: A supplementary, Mr. Speaker. Could the minister advise if the Colonel Belcher hospital is deemed an adequate active treatment hospital to meet the needs of the citizens of the downtown core in Calgary?

MR. RUSSELL: Mr. Speaker, I find it very difficult to take one hospital in isolation. We know, from existing patient trends, admitting records, and histories, that at the present time citizens of the downtown core are accessing five hospitals: the Rockyview, the Colonel Belcher, the Holy Cross, the Foothills, and the Calgary General. So it's misleading to say that the Holy Cross serves the downtown core.

In fact, the travelling distances from any neighbourhood or community in the cities to the nearest hospital services are what is very important. I hope hon. members can visualize maps of the city and see where the current growth has taken place and where the people are. That's where we're trying to establish a good array of hospital services.

MR. LEE: A supplementary, Mr. Speaker. Could the minister indicate what the impact will be on the overall health care delivery system in Calgary, in terms of the ratio of active treatment beds available in the north versus the south part of the city?

MR. RUSSELL: Mr. Speaker, the north part of the city versus the south is really a misleading way of looking at it. I've seen some of the comments regarding beds north of the river and beds south of the river, and we know it simply doesn't work that way. Although the majority of hospital services are north of the river, the travelling times involved mean that many, many citizens on the south side of the river use hospitals north of the river. So it's an artificial line, an artificial definition, and an artificial way of approaching the hospital bed supply question.

MR. HIEBERT: Mr. Speaker, a supplementary question. Is the minister in a position to indicate what kind of consultation occurred with the medical staff of the General hospital in Edmonton? I note in the release that discussions took place with the owners and the board. Were there any discussions with the medical staff?

MR. RUSSELL: Not directly with me and the medical staff, Mr. Speaker. Presumably the boards are in consultation with their medical staffs, and that is their responsibility.

MR. HIEBERT: A supplementary question. Is the minister in a position to indicate what board would actually be involved with the General hospital, now that there will be a relocation of the present owners and the present board?

MR. RUSSELL: The objective is to maintain the existing board, running two hospitals, so it's really an expansion of the services the sisters have historically run. They've been in the Edmonton area for 90 years, and the message they gave me is that they're excited about expanding their services, moving into a new area, and continuing to serve the older population by way of excellent auxiliary services in the downtown core.

MR. MARTIN: A supplementary question, Mr. Speaker, arising from part of the ministerial statement, where the minister talks about

... the Boards of the Royal Alexandra and Misericordia Hospitals in Edmonton and the Calgary General ... being given funds to immediately start planning ...

Could the minister indicate what sort of funds we're talking about in this budget year, what the implications are, and what they're looking at in terms of expansion there?

MR. RUSSELL: It's not a question of expansion, Mr. Speaker. The hospitals referred to, the Royal Alex and the Calgary General, are now considered quite aged and in need of substantial upgrading in some of the important areas. There are many areas in those hospitals which are very usable and very attractive, but the boards have spent a long time reviewing their programming and their needs. Based on their submissions, which took about two years to prepare and assess, we're now recom-

mending to the Legislature that planning funds be given so that they can take a look at really developing a good master plan to see what needs rebuilding and what needs rehabilitating.

In the case of the Misericordia hospital, it's newer but, unfortunately, was not well built. For the last decade, it has undergone continuing upgrading and repairs. There will be funds recommended to the Legislature to maintain that program and get that hospital in a modern and safe operating state.

MR. MARTIN: One final supplementary. Does the minister have any ballpark figure of the dollars we may be looking at to upgrade these to satisfactory standards?

MR. RUSSELL: The figures are big, Mr. Speaker, and I hesitate even to put an amount in front of the Legislature. I know that for the three hospitals, it will be well in excess of \$100 million.

Health Care Cost Sharing

MR. GOGO: Mr. Speaker, I also have a question for the Minister of Hospitals and Medical Care. I understand that the Canada Health Act, an Act of the Parliament of Canada, is approaching third reading, if it's not there now. If passed, it will have a very dramatic impact on the budget of this province. Could I ask the minister what success he's had with regard to arranging a meeting with his counterpart, the hon. federal minister, and/or what success he's had with regard to the seven-point telegram he sent to the minister, I believe last week?

MR. RUSSELL: Mr. Speaker, the situation with respect to the new Canada Health Act is very distressing to all provincial governments in Canada. During the last few days, I received messages from all the other provinces and the two territories, expressing their concern about the way the Act had been amended since the minister first presented it to us and the new issues it raises, not only by way of provincial financing but also by way of provincial responsibilities vis-à-vis the Constitution.

It was the unanimous view of all the provinces that, as this year's chairman, I should seek an early meeting with the federal minister so that we could sit down one last time and get clarification of the proposed amendments. On that basis, I circulated a draft telex among all the provinces, for approval. After receiving the approval and agreement of all the other governments, I sent it to Madam Bégin. She dismissed our request out of hand, and I believe the Bill received completion of committee study in the House on Monday night and has now been sent to the Senate and awaits third reading.

MR. GOGO: Mr. Speaker, a supplementary question to the hon. minister or to the hon. Premier. In matters such as this, is it the practice of this government that copies of such communication with another level of government are sent to the Members of Parliament representing this province in the House of Commons?

MR. LOUGHEED: Mr. Speaker, I'd have to get some clarification from the hon. member as to what he's referring to, in terms of "practice".

MR. GOGO: Mr. Speaker, from the answer of the hon. Minister of Hospitals and Medical Care, it seems that the Canada Health Act, as proposed, could have very tragic consequences for this government and the budgetary process. It would be my view — and that's why I put the question — that the Members of

Parliament representing this province in Ottawa, Canada, should also be asked to participate in support of Alberta's position, to see that amendments to that Act are in the best interests of this province.

MR. LOUGHEED: Mr. Speaker, I can deal with the matter in this way: there are certainly a number of cases over the years in which communication has been made to the federal government and copies have been provided to federal Members of Parliament from Alberta. On some occasions they have been provided concurrently, particularly if the document is being made public; on other occasions they have been provided with the notice that the document will be made public in due course. It is our view, strongly held, that our responsibility to the people of Alberta extends to communication with the federal Members of Parliament who are representing us in the House of Commons in Ottawa.

Hazardous Waste Disposal Site

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of the Environment. I'm glad to see that the hon. minister is back in a state of half-decent health. I say that sincerely, Mr. Minister. I do say some things sincerely. [interjections]

Mr. Speaker, can the minister indicate what position the department has taken in handling the request from the town of Ryley to be reimbursed for their expenditures in searching for a hazardous waste disposal site?

MR. BRADLEY: Mr. Speaker, as yet I have not received a formal request from the village of Ryley with regard to that matter. I will take it under consideration when I do receive it. As I understand it, the village of Ryley commissioned certain studies with regard to their bid to have a special waste facility located there. I will be considering their request, but I believe that would normally be the expense of the municipality.

Provincial Budget (continued)

MR. COOK: Mr. Speaker, I think the primary concern in my constituency, coming out of the budget, is jobs. I'd like to ask a couple of ministers questions from the budget, relating to jobs.

Could the Provincial Treasurer give us an estimate of the number of jobs that might flow from the public works budget of \$3 billion announced last night?

MR. SPEAKER: That would seem to be a matter of calculation and perhaps could be dealt with in the budget debate.

MR. COOK: Mr. Speaker, it would help me in the budget debate if, before the debate starts, I knew how many jobs were available from that job creation program.

DR. BUCK: It's your turn in caucus next month to ask a question, Rollie.

MR. SPEAKER: That is an argument that has been made successfully in the past, with regard to getting information in relation to a forthcoming debate. [interjections] I hope I'm not providing too strong competition for the members. [laughter] Perhaps the hon. Provincial Treasurer might wish to deal with it briefly.

MR. HYNDMAN: About 55,000 man-years, Mr. Speaker. [interjections]

MR. COOK: Mr. Speaker, that's tremendous news.

I wonder if I could ask the Minister responsible for Personnel Administration: with regard to the 1,100 positions that the Provincial Treasurer announced last night would not be available this year, could the minister respond to how those positions will be declared vacant? Is that going to involve layoffs, or is it primarily attrition or retirements?

MR. MARTIN: All of the above.

MR. STEVENS: Mr. Speaker, earlier in the question period, there was a quotation from the budget, which I think you permitted. I would just like to answer that by referring to the last line of the Provincial Treasurer's Budget Address last night, in which he said that this is a "budget in tune with the times and with the aspirations ..."

MR. SPEAKER: Order please. We're getting a repeated statement of opinion, and the context in which the earlier quotation was made was rather different.

MR. STEVENS: Mr. Speaker, I accept your advice. I would say that the reason I wish to remind us all of that is that Albertans expect an efficient service. Part of that ...

MR. SPEAKER: Order please. I have to compliment the hon. minister on his ingenuity, but he is extending the debate.

MR. STEVENS: The number of full-time permanent public service positions included in the budget which will be reduced this year is 869. For the second year in a row, the government has developed a number of ways in which the downsizing can take place.

The Member for Edmonton Glengarry has asked about early retirement. Early retirement has been a process that small business and private-sector corporations and some Crown corporations have developed, but this is not a method for downsizing the public service of Alberta accepted by this government at this time. This government believes that retirement is an individual choice. There are a number of programs available to assist employees develop their aspirations for retirement, and those will continue.

Basically the government will ensure that it will identify vacant and redundant positions and, wherever possible, reemploy and retrain our employees to meet the new needs as outlined in the budget.

MR. COOK: Supplementary question, Mr. Speaker. I wonder if I could ask the Minister of Manpower some questions related to the \$78 million job creation program announced last night in the budget. How many jobs are involved in the \$78 million budget announced last night?

MR. SPEAKER: I really had some misgivings about the previous question and answer. I just can't put my finger on what's — perhaps it could be answered briefly. I think that this means of getting out information in support of what a member wants to say is really not something that's intended for the question period.

MR. ISLEY: To be very brief, Mr. Speaker, if I could translate the word jobs into man-years, meaning one man working for a period of one year, the rough figure would be 9,000.

MR. COOK: Final supplementary question, Mr. Speaker. Are the STEP and PEP positions announced last week by the Min-

ister of Manpower included in that \$78 million, or is the program announced last week in addition to the budget speech announcements?

MR. ISLEY: Mr. Speaker, the answer would be that part of it is and part of it isn't. The programs we're committed to under Vote 3 to date, plus the announcements of last week, will surpass the estimates by approximately \$20 million. So there was at least \$20 million of new money.

MR. COOK: To get that budget figure in my mind, then, it's close to \$100 million in job creation . . .

MR. SPEAKER: Order please. It would seem that the exercise in which the hon. member is engaged is becoming more and more obvious.

DR. BUCK: Back to your colouring book, Rollie.

head: **ORDERS OF THE DAY**

head: **GOVERNMENT MOTIONS**

4. Moved by Mr. Hyndman:
Be it resolved that the Assembly approve in general the fiscal policies of the government.

[Adjourned debate March 27: Mr. Notley]

MR. NOTLEY: Mr. Speaker, I certainly welcome the opportunity to participate in the budget debate today. Might I be allowed to say at the outset that I suppose *Beauchesne* has always made it possible, in the give and take of debate, to recognize that there can be very significant differences over the facts. So perhaps we may just explore some of those differences.

Might I just say to the hon. Provincial Treasurer, in a slightly flattering way, that should the Premier want to shuffle the cabinet after the next election — whoever that Premier may be — I would recommend that he put the hon. Provincial Treasurer in the hon. Mr. Payne's position, in charge of the Public Affairs Bureau. I don't think I know of anyone in the political world in this province who has such amazing skill with statistics.

DR. BUCK: Mandrake the magician.

MR. NOTLEY: Yes, Mandrake the magician — a combination of voodoo economics and the old magician's skills in presenting the case.

Mr. Speaker, I think it would be less than proper if we on the opposition side did not acknowledge a masterful job of presenting a very bad case. To the extent that that should earn the hon. Provincial Treasurer, if not a promotion, at least a guaranteed seat in the next cabinet, I would just offer that as a bit of advice to whoever is the Premier after the next election, providing this government is re-elected.

Mr. Speaker, I'd like to deal with several issues during the course of my remarks today. Perhaps I might begin with the state of the Alberta economy. Last night we heard the hon. Provincial Treasurer tell us that we were on the road to recovery. I think I mentioned a few days ago that if we're on the road to recovery, that news is not readily apparent to Albertans. Wherever I go and have a chance to talk to people in the province, whether they're in the small business sector or farm-

ers or the 150,000 people who are looking for work, they haven't sensed this same kind of enthusiasm about economic recovery. As a matter of fact, as the sheriff is tracking down more and more Albertans lately, whether in terms of foreclosures on farms, small businesses, or their homes, I think there's a good deal of skepticism throughout the province about what kind of economic recovery is occurring.

A few days ago, I mentioned the Conference Board of Canada and the suggestion by that esteemed organization that things were getting worse instead of better and that we could look forward to an increase in unemployment. Mr. Speaker, I know that government members don't like to hear about the Conference Board of Canada, because in 1982 they used that quarterly report to sell a sow's ear as a silk purse. Nineteen eighty-two is their record to the people of Alberta, so they'd just as soon forget about those of us who remind them about the Conference Board of Canada now that the prognosis of that esteemed authority has changed and, according to the Conference Board, the outlook is pretty grim.

We might take a look at this private-sector survey conducted by Manpower Temporary Services of Toronto, very much a private-sector organization and, of course, we're supposed to especially emphasize the value of private-sector research. They did a survey of businesses and concluded that Calgary and Edmonton will be among only four cities that will not show a net job increase during the second quarter of 1984. Moreover, out of this particular survey, the outlook in Edmonton is especially grim: a projected decrease of 5.9 percent in hiring. Mr. Speaker, that survey and the Conference Board of Canada survey simply confirm what most of us as members of the Legislature have surely been able to grasp; that is, economic conditions in this province are very difficult indeed, and there seems to be little evidence of any significant recovery.

Just before the Assembly reconvened this afternoon, I had occasion to attend the convention of the rural municipalities and counties in Red Deer. In talking to a number of the councillors both before and after I had an opportunity to speak to the convention, many of them said: what is going to be done to alleviate the especially difficult circumstances faced by farmers, in particular those young farmers who paid a fortune for land during the boom and now find that with the cave-in of the Alberta economy, they're in serious trouble? Mr. Speaker, I made a number of those points during the course of the [throne speech] debate, and I would like to just reassert them in general and go on to other areas during my remarks this afternoon.

It's pretty obvious to those of us who sit in opposition that we have a budget speech that skillfully leaves impressions which are not totally consistent with the facts. First of all, we have the suggestion that the economy is recovering. There is no doubt among Alberta people, regardless of where they sit — even good stalwart Tories are telling us that things are in an awful mess and aren't getting a bit better. So the Provincial Treasurer's prognosis about the economy is certainly subject to debate.

Then we have this comment about no tax increases. [some applause] Well, Mr. Speaker, even though the hon. Member for Edmonton Glengarry wasn't told about it before the House reconvened last fall, he gleefully and enthusiastically — and I notice he's still enthusiastic about it — voted in favour of the 13 percent increase in personal income tax, an increase that it just so happened came into effect January 1, 1984, and is the major reason the Provincial Treasurer has apparently been able to reduce the deficit here. But to suggest that there's no increase in taxes when in fact we had the 13 percent increase in personal income tax that took place as of January 1, 1984, and will occur throughout the budget year, is a little less than telling

all the story. I know it was perhaps just an oversight when the Provincial Treasurer wrote the budget speech. It may have been that in the pressure of time, he had that extra sentence all ready to stick in but just forgot. I'm sure that if the hon. Member for Edmonton Glengarry had been around and had had an opportunity to peruse it, he would have insisted that the Provincial Treasurer stick that observation in so there could be no question of inaccuracy.

In any event, Mr. Speaker, what we have is the budget speech. Everybody is sighing with relief and saying: well, there is not going to be an increase in taxes. Everything is, if not fine, not quite as bad as we thought it might be — except that we had these nasty little surprises last year. The Provincial Treasurer assures us today that there aren't going to be any surprises. Of course he always manages to qualify; we've got a couple of qualifying words there. So the question is: will we be able to go through the entire budgetary year without being fleeced again by this government? Will the backbenchers be called in just the day before the fall session of the Legislature resumes and told, as they were last year: oh shucks, we made a minor error; we're going to have to fleece the taxpayers again and bring in another increase in personal income tax.

The hon. Premier suggests that incentive programs for the oil industry are not going to have budgetary implications. I await with interest the statement of the Minister of Energy and Natural Resources tomorrow, because I cannot imagine that any incentive program that has any impact at all won't have significant budgetary implications.

Mr. Speaker, assuming there will not be any nasty surprises during the course of this year, we also have to presume one other thing; that is, international events are once again going to rescue this government's credibility, not events which we have any say in determining in any real way but events in the United States and in the Middle East. If things don't improve in the international energy picture, what we find is a deficit of \$250 million, but it could be a significantly larger deficit at the end of this year, totally determined not on the basis of decisions that we take in this House but on the basis of the vagaries of international energy politics.

Mr. Speaker, another observation I would like to make in my preliminary remarks is that as I listened last night I couldn't help but feel a great sense of empathy for local government officials. Once again, with the skill that this government has developed, they are shuffling a lot of the responsibility for the recession onto the shoulders of local government. Who in fact is going to have to administer the user fees in the hospitals? It will be the local hospital boards that will have to take the flak and try to track down people who haven't paid their \$20 a day user fee. They are going to be forced into that, Mr. Speaker, because the funds available from this government will not allow them to operate their hospitals without resorting to user fees.

Mr. Speaker, we are going to find the concern of municipal and county councillors, who see that their grants are stagnant or a very marginal increase, but the costs are going to be rising. If that difference is not made up by provincial sources, there is only one other route and that is to go back to the property tax payer and ask that individual to come up with more money.

For example, Mr. Speaker, we have the situation faced by our school boards. I don't know how the government can be so self-assured and say that there won't be increases in supplementary requisitions. If you look at most of the divisions in this province, even if there's a zero increase in salaries, the basic system where teachers are paid increments for additional training and additional years of experience is going to push up the cost of education. Plus, the friends of this government in the utility industry are able to get increases in utility rates every

time they turn around. The net result is that somebody has to pay, and I fear that somebody is going to be the local ratepayer.

Mr. Speaker, what we see in this budget is an effort to improve the outlook for the Provincial Treasurer and the Tory members in the Legislature. But when it gets back to the people in the different areas of Alberta — whether it's in villages, towns, MDs, IDs, counties, or cities — I predict we are going to be faced with a significant increase in property taxes during 1984 and 1985. Of course that will vary from place to place. The government will be able to shuffle off responsibility, because some areas will have enough industrial assessment or will perhaps have saved up money in other ways over the years so they won't have to increase quite as much; perhaps some won't have to increase at all. But the point is that because of this policy in this budget, the restraint program taken in total is going to have a significant impact across Alberta at the local level. What is very clearly happening is that we are shuffling responsibility from the provincial government to local government.

I believe it was the former Deputy Premier who once talked about local governments as the children of the province. Was that not the term used? As a result of this budget, I am not at all sure that local governments won't be the abandoned children of the province of Alberta and that we are leaving responsibilities without the accompanying financial backup for these people to do their jobs properly.

Mr. Speaker, I look at some of the priorities in the budget. Let me just give a few examples. I see that the Department of Agriculture's services are going to increase by 12.6 percent. At a time when we have farm bankruptcies on the rise, what are we doing? Our production assistance is going to be down 14 percent. With the various programs we make available and with farm prices being what they are, one would think that production assistance might go up. In fact it's going down. We talk a good deal about marketing our commodities in the world. The marketing initiative or the marketing thrust — this government is always talking about "thrust" — of a few years back is going to be down by a whopping 43 percent. Nevertheless, department services are up by 12.6 percent.

We have the Department of Education. I see the hon. Minister of Education isn't here. He is out studying some of his studies. Mr. Speaker, the department services budget for the Department of Education is up 25.2 percent. The minister is going to have more people to conduct studies so he can read these studies all the time. On the other hand, the basic school foundation program, the funds that are made available for the operation of our schools in the province, will be down by .9 percent. As I mentioned before, that is simply going to shuffle responsibility to local ratepayers.

We look at some of the things that we should be doing with our capital projects. Let me say, Mr. Speaker, that I think certain capital projects could be postponed. I mentioned it during the Speech from the Throne, but I want to say it again so there is no misunderstanding. Government House South in Calgary is something that can be postponed some years. When the economic recovery is buoyant again, maybe we can look at frills like Government House South. In the meantime, taxpayers of this province shouldn't have to put up the money to proceed with that particular project.

Mr. Speaker, one of the things we could be doing is getting necessary highway projects under way. With the exception of the road south of Grande Prairie to Grande Cache, if you look at the primary highway budget, it's going to be down by 5.1 percent; secondary roads, down by 6.4 percent; improvement district roads, down by 12.7 percent; MD and county grants for road construction, down by 16.1 percent. One of the areas

where we could be providing jobs, in the type of investment that would bring Albertans together — let me tell you, when you talk to MD councillors about road construction, they recognize the need for road construction. They know that investments in better transportation facilities will pay dividends down the road. But in case after case, we see decreases announced in this budget.

On the other hand, Mr. Speaker, our propaganda department, otherwise known as the Public Affairs Bureau, has a 13.8 percent increase. In the middle of a recession, imagine something as ridiculous as actually increasing the money to the Public Affairs Bureau. I wonder how any group of politicians can justify that sort of ridiculous priority.

As I said in Red Deer, Mr. Speaker, I notice as well that the correctional institutions are up 7.6 percent. If we can't drive on the roads, at least we'll have a place to stay at night.

Mr. Speaker, one really wonders at the priority of this government's cuts and what is guiding the decision-making process in this government caucus that allows the Provincial Treasurer to come in with proposals that are going to cut back on some of the basic infrastructure that is needed.

In a moment, Mr. Speaker, I want to deal with the question of jobs in a little more detailed way. But I do want to say in passing that it interests me that we're going to cut civil service positions. The net result of those people who are let go, who don't leave because of attrition, is that if they can't find a job in the private sector — and that's highly likely considering we've got 150,000 people out of work — they're going to go on unemployment insurance. Often when they exhaust unemployment insurance benefits, the only option, especially for lower paid people, is public assistance.

When I've had a chance to chat with people I know in the Alberta Union of Provincial Employees — and I make no apology for knowing most of the officers very well, Mr. Speaker — one of the things they always bring to my attention is that this government has such a ratio of managers compared to employees. They know perfectly well that when job cuts take place, the people who will be making the cuts will be the managers. We'll be keeping the managers. We may have a manager in charge of sharpening pencils, but we're going to be laying off people on the front lines. We'll be laying off people when it comes to delivering services.

I'm sorry the hon. Minister of Social Services and Community Health isn't here, because one thing that really concerns me is this layoff of 162 people in the Department of Social Services and Community Health. Are they going to be the bureaucrats that have been appointed because of this government's so-called decentralization approach, some of these people whose partisan connections got them into government jobs. If that's the layoff, fair enough; no quarrels from the opposition. But I suspect that the layoffs are going to be among the men and women on the front lines in the department. We had all kinds of people claim they read the Cavanagh Board of Review report carefully. If the members of this government have read the Cavanagh Board of Review, then I wonder where this government caucus was when the minister of social services said that they were going to cut the department by 162 people. When we get to that particular department, it will be interesting to see how this government can reconcile a cut in staff with the recommendations of the Cavanagh Board of Review. Or are those recommendations simply a target which will be so far removed that as this government attempts to balance the Provincial Treasurer's budget, the needs of children will go unattended for yet more years? Will it take another incident such as the tragic dog-food eating incident in Peace River to once again jolt this government

into the recognition that the provision of adequate social services should be sacrosanct.

I see that the Public Affairs Bureau, an absolutely useless department that could be put on hold for four or five years, increased by 13.8 percent. It might hurt the re-election prospects of certain members of this House, but it would not affect the average person in Alberta. You could go through West Edmonton Mall in your constituency, Mr. Speaker, and you would not find a single person who would come up to you and say: I want you to defend the Public Affairs Bureau. But when it comes to the provision of child welfare programs in Alberta, you and other members of this House will have people express their concern and outrage over cuts.

I think that really raises the issue of priorities, Mr. Speaker. If we're going to cut, let's cut some of the frills, some of the fat. Perhaps we should be looking at the \$273 million in consulting fees. When we come to the Department of Education, perhaps we can look at some of the regional offices where we have consultants piled upon consultants. Perhaps we could be looking at some of the frills in terms of travel abroad and entertainment. If this government wants to set an example of user pay, let's set our entertainment budget up in such a way that if you're invited to a social function, it's a no-host bar. What's wrong with that kind of user-fee approach? But no, we're going to bring in user fees in one of the most important aspects of our provincial budget; that is, the provision of hospital services.

I don't agree with the political philosophy of Mr. Manning, the son of the former premier, but what he said the other day in his little news release was important. There's value in symbolism. If you're going to ask Albertans to sacrifice, then you have to start with examples at the top, not simply say to your department manager: here you are; we want a 2 or 3 percent reduction right across the board, and you take the easiest way out. More often than not, the easiest way out is to cut the quality of the program which is actually delivered to the individual Albertan.

Mr. Speaker, before commenting on job creation in Alberta, I want to deal with the issue of health costs. We have heard over and over again from this government that the villain of the piece is health costs and that somehow medicare is breaking the province. Therefore we have to bring in user fees and allow doctors to second bill. Last night the Provincial Treasurer suggested that user fees, even user fees that haven't been introduced yet, have somehow been a constraint on hospital costs. The fact of the matter is that if there is any inefficiency in our health system in Alberta, it's not the fault of the citizens of this province. To a large extent, it's not the fault of the people who work in the system either. It is the failure of this government to recognize that a health system is not big fancy buildings. A health system is a program.

Mr. Speaker, I remember one of the better debates in this House; it started on March 16, 1972. At that time, the hon. Member for Edmonton Kingsway, Dr. Ken Paproski, introduced a resolution suggesting that we get into community health clinics. We had all sorts of pious comments by members of the House but no action. We did virtually nothing to encourage community health clinics, and yet the evidence is overwhelming that if we want to bring health costs down, community-based health is important. We finally have an admission this year of an increase in the home care program. Well, I should say it's about time. This government has been in office for 13 years. We've had people in the public health units in the province tell us over and over that if we beefed up the home care program, we'd be saving money. Yet this government did practically nothing for 13 years.

Now in 1984, a very underfunded program gets an increase. Where have they been? What happened after this resolution was presented by the then Member for Edmonton Kingsway? As usual, it got lost somewhere between here and one of those government caucus meetings at Government House. We have a system that is built to order for inefficiency: great big fancy buildings, beautiful waiting rooms — the kinds of things that win politicians votes in different communities. We have not got the kind of system that is cost efficient and community based.

I don't know if members of the House had an opportunity on Sunday to watch a CBC television program on the history of medicare. But those who did might have been interested in the aspect of the program that dealt with the Prince Albert community health clinic. Members may not know their Saskatchewan history, but during the medicare dispute in 1962 when the doctors' strike took place, a number of community health clinics were established. One of the most successful was the community health clinic in the city of Prince Albert.

Mr. Speaker, I want to detail for members of the House today some statistics gleaned from the work of that clinic, because it seems to me that what is happening in Prince Albert is the sort of thing we should be encouraging in Alberta. We can't do it overnight, especially when we're getting ourselves locked into massive hospital projects of one kind or another, but over the next few years we can begin to learn from our less frivolous friends to the east. The clinic saw 17,295 individual patients — this is in the last year they have figures for — at a total cost of \$2 million. Had those people gone through the normal hospital system as it has been structured in the province — in other words, had they gone to the doctor, been billed for their services, and then gone into a hospital — the total cost would have been \$6 million. In 1979 the average hospital utilization in Saskatchewan was 2,555 hospital days used per 1,000 patients seen, in comparison with the use of the community health care clinic, where only 837 hospital days were used for every 1,000 patients seen.

Mr. Speaker, the point I want to leave with hon. members is that a dozen years ago this Legislature passed a resolution on community clinics. The government didn't do anything about it, and now they come back whining to Albertans, saying: health costs are out of control, therefore we've got to punish Albertans. In actual fact the design of the system is 100 percent the responsibility of the provincial government, and they have failed to move on the kind of proposals which are implicit in the right to health, the whole concept of modern health care in Canada. I know members sometimes get a bit impatient when my hon. colleague from Edmonton Norwood and I raise this issue, but there's no doubt that the Hall commission report in 1964 recommended a system of fee-for-service. The whole emphasis of medicare was to shift health from curing disease to preventing illness, and part and parcel of that was community-based health. You don't need fancy buildings for community-based health, which indeed is a program with *esprit de corps* among the people who are working in it, a program that emphasizes prevention as its primary goal.

The one thing I find is some small consolation in the budget is that we are going to increase the amount of money earmarked for home care. But I say to members of the House that before we slap ourselves too hard on the back, we might ask ourselves why it's taken so long to move into the 20th century on this particular program.

Mr. Speaker, I want to draw my remarks to a close this afternoon by talking about the state of the Alberta economy. First of all, I think we're living in a fool's paradise if we think the fire sale, Brick Warehouse approach to the sale of natural

gas is somehow going to rescue our bacon south of the border. If we want to stimulate the energy industry in this province, we should have recognized some time ago the need to develop the heavy oil fields of Lloydminster and Wainwright. We should have been working far more closely — indeed if we're talking about incentives that are now costing us hundreds of millions of dollars a year, we should have been looking at the construction of an upgrader some time ago so that we could have begun the development of the heavy oil fields. If you want to stimulate the industry in the largest sense — not the big companies; the rural service industry, the small people who are in the industry — moving ahead with the development of heavy oil would be one of the most important objectives.

Our energy committee has conducted quite an extensive survey of the energy industry in this province, and it might surprise a number of the hon. members that a large number of companies have responded to our survey. Next Friday, a week hence, we'll be outlining the results of this industry survey in a more detailed way. I want to stress today one of the things that came through in the survey; that is, the need to push ahead with heavy oil development.

Another area that we are still fiddling around on, Mr. Speaker, is the question of what we do with Alberta, British Columbia, and Saskatchewan coal in the Ontario market. Ontario Hydro is now importing vast amounts of coal in that province. It seems to me that it would be in the interests of this government, if it's serious about the coal industry in Alberta, to say to Ontario: look, Confederation is a two-way street; you people are concerned about acid rain; we just had the federal government deliver a stern note to Washington about the impact of acid rain. One of the advantages of western coal is that there is a low sulphur content, and the acid rain problem would be substantially reduced if we could substitute western Canadian coal for coal that is now imported from the Pennsylvania region of the United States of America.

We have a lot of people in this House who like to take snide little runs at the trade union movement. I want to tell you something, Mr. Speaker, because I think it's important. Members ought to know that we have people in the trade union movement in Alberta who sometimes take pretty courageous, gutsy stands. We have the United Mine Workers, who are promoting this concept of substituting coal from the United States for coal produced in western Canada. There is no question at all that the international union, headquartered in the United States, is not in favour of this proposal. They have made it very clear to the people of this district that they oppose any change in trade between the United States and Canada. Why? At this stage central Canada is an important market for coal produced in the United States, so American members of that union are totally opposed to the proposal. Notwithstanding the position of the international, you have a group of Canadians in the United Mine Workers, led by their Canadian district people, who are promoting in the House of Commons, with members of the Legislature, with town councils, the need to develop a new pact, if you like, as far as the use of coal is concerned, so that Canadian coal would be supplied to Ontario markets.

Mr. Speaker, I think this is the sort of thing the government would want to run with. We continually hear members of the House tell us that they are in favour of the private sector. The bulk of the energy industry in this province is owned by the private sector, especially the coal industry, notwithstanding the 25 percent interest of the Alberta Energy Company in Luscar. The way in which to stimulate the coal industry is not, as the government did with Luscar, to look the other way on environmental regulations and work out a private little deal so the

royalty relief is in part used to clean up their act. The way you want to stimulate the coal industry is to open up markets for that industry. That's what the people who work in the industry want; they want more markets.

If you provide stronger markets, that would be a much healthier approach to dealing with the coal industry than the kind of double standard of justice we saw exhibited a few days ago when the government attempted to respond as to why they didn't enforce the Fisheries Act with respect to Luscar Sterco. Here is a proposal, and I leave it with members of the House, that is coming from Canadian members of an international union who are saying, let's get on with an important new development.

Mr. Speaker, I notice that the minister said things, were looking up in the forestry industry. I did not note in the minister's speech last night the fact that the situation in Whitecourt is not exactly booming at the moment. The dream that people had when the government signed their arrangement with B.C. Forest Products a few years ago has come shattering down. As a result you have a number of small-business people, especially in the town of Whitecourt, that are losing everything they invested on the basis of an agreement that seemed to offer hope and promise for a major forest venture in that region of the province.

Finally, Mr. Speaker, I want to say to members of the House that if we're concerned about economic diversification, economic development, there are two absolutely fundamental things, apart from the coal proposal and the heavy oil proposal, that have to be stressed. One is the need to increase our land base. If we wait until the department of Public Lands and Wildlife moves ahead any faster than the present snail's pace, we will lose an opportunity to significantly increase our land base in northern Alberta.

The other thing that we must do — and it is just as important — is insist that we have better transportation for that grain which is produced. I met with officials of Unifarm the other day. I could hardly believe my ears when they told me there's a suggestion that we're going to be trucking grain from Valleyview all the way into the government terminal here in Edmonton. I can't imagine a more ridiculous mode to lock Peace River farmers into than trucking grain from Valleyview into Edmonton. If you want to look at moving grain in an efficient way, there's still no question that rail is the most efficient mode for a landlocked province. I've said before, but let me say it again, that now is the time to look at the investment in those rail links in northern Alberta. If we're serious about increasing the land base, then let's look at the kinds of links that would allow Peace River grain to go from the Peace block in Alberta through British Columbia to the west coast to Prince Rupert, or to Vancouver if that be the option.

But there is no point, Mr. Speaker, in spending all kinds of money — and I don't quarrel with the hon. Member for Grande Prairie wanting to get Highway 40 completed; if I were the member for that constituency, I'd be promoting Highway 40 too. But I'll tell you that rail links to allow us to get our grain out to the west coast, particularly now with the new arrangement on the Crow — I shouldn't say the new arrangement on the Crow. Now that the Crow has been effectively killed, we've just got to improve our transportation of grain. At the moment we just don't see any evidence that this government is going to do much about the movement of grain. Apparently we're going to study the issue some more.

We understand that since the railroads were able to effectively lobby politicians in both the old parties so that the Crow was killed and all kinds of commitments were made about modernizing the railroads, we now find that those railroads that

were so quick to tell us what they were going to do before they killed the Crow are rescheduling their improvements. Where was this government, and where is this government? What are we going to be doing in the process to protect our agricultural producers?

Mr. Speaker, I say to members of the House this afternoon that what we see in the budget that has been presented is a pretty skillful sales job — there's no question. It looks good, if you like to buy snake oil. Somebody said "voodoo economics". Overestimating the income, grabbing from the trust fund, a \$250 million deficit — it looks a little better than it did a year ago.

But what is a budget for? Surely, Mr. Speaker, a budget should be a major mechanism to stimulate the economy of the entire province. That's what it should be. I say to members of the House this afternoon that there really isn't going to be a great deal of stimulus in this economy.

MR. SZWENDER: Read it again.

MR. NOTLEY: Somebody says "read it again". [interjections] The little Member for Edmonton Belmont. I've read it and read it and read it. I remind the hon. member that if he reads it carefully — I don't want to upset his optimism as a new member, I think that innocence is always a nice quality to have. As he's been around here a little longer and he gets to read a little more and read between the lines, he will find that there really isn't much in this budget that is going to stimulate the economy.

In closing my remarks, Mr. Speaker, we're doing one other thing: for the second year now we're raiding the trust fund. We're going to be able to present a slightly better financial picture because we're cutting back the amount of money going into the trust fund and taking all the interest accrued to the trust fund.

I can remember that in 1980 or '81, I believe, on the special select committee set up to monitor the trust fund, we had quite a little discussion about whether we should actually increase the amount of money going into the trust fund — not decrease it, but whether we should increase it. Mr. Speaker, you can go through a \$13 billion trust fund very rapidly when you run into the kinds of real deficits that we see now in Alberta.

I want to just close my remarks by saying to hon. members what my colleague and I have always maintained; that is, the trust fund should not be a piggy bank which the Provincial Treasurer can use to make his accounts look a little better before the members of the House, so the collective members of the House can look a little stronger before they meet their members in Calgary this weekend. I gather there's a fair amount of fire and heather out there. A lot of members back in the constituency are saying, what have you guys been doing down there; we don't think you've been doing much of a job. What we see in some of these federal constituencies may happen in a number of the provincial constituencies before long. So I can understand that there's a sort of natural desire to make the picture look a little better. But at what price? We've given up using the trust fund in any kind of meaningful way to diversify the economy.

Mr. Speaker, in 1974 the Premier said we had a decade to do it, and we didn't do it. We didn't do it when we had the money coming in; we're not doing it now. We're simply using this money to make the Provincial Treasurer's budget look a little better in the short run. But when are we going to do it? What is the outlook for this province's economy in 1994?

MR. MARTIN: Tory times are hard times.

MR. NOTLEY: Some members of the House who have been here a little while can go back into private life and review their

years, and maybe it won't look so bad because they were in the middle of the boom. But it's people like the hon. members for Edmonton Belmont and Edmonton Glengarry, some of these younger people. In 1994, 1998, 2004, people are going to be looking at them and saying: where were you when you should have been doing something with the trust fund, when you should have been diversifying the economy of the province; what were you doing?

MR. MARTIN: Sleeping.

MR. NOTLEY: Mr. Speaker, I say to hon. members that they're going to have a tough time answering that question, because they really haven't been doing much. We've been taking the easy road out.

If this government wanted to use its mandate effectively — sure, Albertans are prepared to take some tough medicine, but they want a government that would first of all recognize that biting the bullet means cutting back on frills, setting an example at the top, using the trust fund to diversify the economy in those areas where we have promise and where we have hope — then I think you would find a willingness among the 2 million plus Albertans to say: okay, we're in it together, we're facing tough times, and we're going to face those tough times together. But as long as you have a government which is the very epitome of double standards — do as I say, not as I do — government that fails to realize that now is the time to plan for the future, then I think quite frankly that the more Albertans think about this budget and the more they read, the more they are likely to take it with a grain of salt.

MR. PAHL: In addressing the budget debate, Mr. Speaker, I had intended to briefly consider the budget in the context of the folks of Edmonton Mill Woods who have honoured me with the privilege of representing them in this Assembly, and also to look at some of the statistics as they relate to the people of Edmonton Mill Woods and to the native people of Alberta that relate to my portfolio responsibility.

In mentioning statistics, I refer to my colleague the Provincial Treasurer's remarks on page 7, where he says we have to go beyond the statistics. I remember what President Harry Truman said about statistics: there are lies, there are damn lies, and there are statistics. As a former practising economist, I can't help but look at statistics, but I'll try to rely on my upbringing near Hanna, Alberta, to translate that information into meaningful information. [some applause] There's somebody who knows where Hanna is. [some applause] There are some more. And for the very few people who don't know where Hanna, Alberta, is, it's roughly 16 miles west, as the crow flies, from the Hanna homestead on the Berry Creek in that part of God's country that's represented by the hon. Member for Chinook.

That's what I intended to do. But in all conscience, I really must respond to the hon. Leader of the Official Opposition's remarks. Did he hear the same budget speech that I heard last night? Did he refer to the same documents?

SOME HON. MEMBERS: No.

MR. PAHL: Is he talking about the same province?

SOME HON. MEMBERS: No. Shame.

MR. PAHL: I wonder. Given that, I will need a little more time to respond to those remarks which, in all conscience, I

think I must do. I recognize there's other business before the House, and I beg leave to adjourn the debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The motion is adopted.

MR. CRAWFORD: Mr. Speaker, I might indicate to hon. members that I asked my colleague if he would adjourn debate at this time with the expectation of resuming it shortly, in order that the House might deal with a matter I have discussed with the hon. Leader of the Opposition; that is, if we could have unanimous consent and call for second reading of Bills, notwithstanding the fact that Bill 28 was introduced earlier today. The Provincial Treasurer would then move second reading of the interim supply Bill.

MR. SPEAKER: Is there unanimous consent to consider Bill 28 under second reading?

HON. MEMBERS: Agreed.

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

Bill 28 Appropriation (Interim Supply) Act, 1984

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill No. 28, the Appropriation (Interim Supply) Act, 1984.

I do not believe this Bill needs lengthy debate, Mr. Speaker. It is for an amount of approximately \$3.4 billion, which is roughly one-third of the total expenditures which will be proposed to the Assembly by the government. It is not exactly that figure because some grants have to be paid out sooner than others. Some of the major amounts which are to be proposed in the Bill relate to assistance for higher education institutions, financial assistance to schools, financial assistance for active care hospitals, support for municipal programs, social allowance payments, and construction and maintenance of highways.

I suggest that there is some considerable merit in ensuring that these moneys flow to those causes on April 1.

[Motion carried; Bill 28 read a second time]

head: **GOVERNMENT MOTIONS** (continued)

4. Moved by Mr. Hyndman:
Be it resolved that the Assembly approve in general the fiscal policies of the government.

[Adjourned debate: Mr. Pahl]

MR. PAHL: Mr. Speaker, having regard for the time now available to me, I would like to expand my remarks and consider the budget presented to this Assembly yesterday.

I submit that perhaps the best test of the budget would be to look at its highlights, perhaps consider what its objectives were, and ask ourselves whether it met the test of those objectives. In view of the obvious divergence between what I heard, read, and understood, and what the previous speaker's remarks

led to, I think it so important that I will briefly go over the highlights of the 1984 Alberta budget: first, a reduction in government expenditure from last year's level, the first in over 40 years; second, a reduction of over 1,100 permanent, full-time public-sector positions that have become unnecessary within the government structure; a further drop in the budgetary deficit to an estimated \$258 million in the fiscal year 1984-85; no new taxes and no increases in existing tax rates; continued use of the rainy-day Heritage Savings Trust Fund to hold down taxes and to reduce the deficit; a job-intensive \$1.7 billion capital works project that, because of the more competitive nature of the private sector, will create as much employment as the record capital budgets of the past two years; as well, capital projects within our heritage fund projects and provincial Crown corporations will total over \$1.2 billion for an approximate capital project of \$3 billion; special job creation and manpower training projects valued at over \$78 million, plus an additional overlap, clarified by my colleague the Minister of Manpower, for an additional \$20 million in job creation and manpower training activity; maintenance of quality people programs through continuation of one of the highest per capita health, education, and social services grant levels in Canada that includes a major expansion of the home care program, with funding rising by over 55 percent to \$28 million; additional funding to assist students in advanced education and to make sure that any student who wants to go to university will have the opportunity; a new venture capital program for small business, where the jobs are created consistently in every jurisdiction in North America; a start on two new major active-treatment hospitals, one in Edmonton and one in Calgary, with an estimated total cost for both of \$280 million. Mr. Speaker, I'd like to make it clear to members of the Assembly who are not of the Calgary and Edmonton caucuses of government that there is absolutely no truth to the rumour — we were not anywhere near breaking Mr. Russell's right arm before he agreed to that program.

DR. REID: It's called persuasion.

MR. DIACHUK: It made it easier when his arm was broken.

[Mr. Appleby in the Chair]

MR. PAHL: Mr. Speaker, it has been said that this budget represents a sound financial strategy for Alberta, a strategy of balance. It balances the need to maintain essential people services with the need to constrain operating expenditures. It balances the desire to encourage steady economic recovery and employment growth with the recognition that lasting jobs are created by the private sector. It's asserted that it meets these objectives while at the same time holding down taxes and significantly reducing the deficit and our borrowing requirements.

Mr. Speaker, those are the highlights. That's what I heard; that's what I read. In order to test that budget, that proposal, before this House, we have to look at it in light of the objectives of that budget. Briefly, the objectives of the budget are sixfold. First:

- to support a basically strong economy that is on the mend and to reinforce a recovery that will take us to . . .

more substantial, steady growth. Secondly,

- to make government operations trimmer, leaner, and more efficient;

Thirdly:

- to reduce the gap between expenditures and revenue

by dealing responsibly with the fiscal realities facing Alberta;

Given the same realities facing all across Canada and our federal government, I submit that there is some leadership that, although not stated as an objective, is certainly apparent in our Provincial Treasurer's proposals.

Number five:

- to maintain existing high levels of support for essential "people services";

Number six, the final objective, is:

- to support employment by reinforcing an economic climate conducive to private sector investment and by continuing job creation programs, manpower training initiatives and a large capital budget.

In setting these objectives, Mr. Speaker, the Provincial Treasurer made an important qualification:

The precise timing and speed of Alberta's economic resurgence is hinged to world economic events, particularly in commodity markets that determine the demand for and price of our agriculture, energy, forestry, and other resources

including invisible exports.

In short, the Provincial Treasurer is saying that Alberta is a trading province in a trading nation and, although he didn't say it, it's a tough, competitive world that we're dealing in. Oil prices are set in Saudi Arabia. While interest rates appear to be set in Ottawa, I think it's a matter of Washington setting the interest rate. Ottawa tracks it with a premium added — uniquely Canadian, I guess. Tokyo, by the way, doesn't. Tokyo sets its rates at 8 percent; that's the national ceiling on interest rates right now. When we deal with buyers in the Pacific Rim, they really don't care about our domestic problems, they don't care about our interest rates, and they don't care whether the consulting company that's competing for a job has to pay double time to its draftsmen on weekends. All they want is a competitively priced, superior product. That's the real world.

Back to the statistics. I would like to briefly test these objectives against the budget presented. Again, the first objective is

- to support a basically strong economy that is on the mend and to reinforce a recovery that will take us to sustainable growth.

The hon. Leader of the Opposition gave his view of the Alberta economy, very much one of gloom and doom. If I hadn't been listening to him for the last five years, I'd even get the impression that he was a bit of a knocker. But I'm sure that's not the case.

SOME HON. MEMBERS: Shame.

AN HON. MEMBER: You must have misunderstood.

MR. PAHL: I must have misunderstood. He must have temporarily been focussing on a different economy. Maybe it was the B.C. budget, or maybe Manitoba's.

Mr. Speaker, I submit that our base industries of oil and gas and agriculture are strong. Certainly the oil and gas industry has faced a problem with a reduction in markets, a corresponding problem with cash flow, and high interest rates on high debt levels. And there has been a need to recover. As I mentioned before, we're in a tough, competitive world out there. Our agricultural products have to compete there. They have also been faced with high interest costs and a situation where there is heavy dependence on Canadian markets; for example, I think Russia probably accounts for 30 percent of our Canadian wheat sales and China 25 percent. I don't take it away: they're

tough customers. Sure there are some sector weaknesses. External forces contributed to those downturns, and there has been some overbuilding in our construction industry.

Living in Edmonton Mill Woods, where we have a relatively young population and a lot of new entrants into the labour market, we have felt the pressure of that unemployment rate being higher than the provincial average. It's there, and we're concerned. This is where I have the problem with the hon. Leader of the Opposition's remarks. He started to identify the problem, but where are the solutions? Or, as they say in that commercial on television that has become quite topical within the American presidential campaign, where's the beef? I listened very closely to the hon. Leader of the Opposition's remarks, and I didn't find the beef.

But let's look objectively at the statistics with respect to the Alberta economy. The facts are that with 9 percent of the population, Alberta commands 20 percent of the total Canadian investment. The Alberta economy is indisputably a strong producer of jobs. Our participation rate is the highest in Canada. "Participation rate" simply means that the number of persons employed is high relative to our total working age population. As I said, we have an unemployment problem. In our private-sector economy, the job-producing sector has demonstrated more than any other province in Canada its ability to sustain more of our working age population in jobs.

How about diversification? It's happening in our province, Mr. Speaker. We're starting to take it for granted. I know from experience over the past five years that we can now put completely together an oil well drilling rig, and we've successfully exported complete oil well drilling rigs and service rigs to all parts of the world. Incidentally, a large part of that comes from the constituency of Edmonton Mill Woods, and I'm proud of that accomplishment of our constituency. Engineering services across the world have increased some 21 percent to provide a level of \$100 million worth of invisible exports. High technology equipment has more than doubled in sales in the past year, and provides another \$90 million of revenue into the Canadian economy.

Mr. Speaker, there was a statistic in the budget that I was very impressed with. R and D, in universities alone, employs over 2,000 people. Just think about that. One out of every 500 people in the labour force is engaged in research and development at a university in our province. That's the kind of diversification that will cause long-run strength in our economy. It has the spin-offs, and it has the strength to sustain itself. That's an important brainpower type of diversification. It doesn't include the people working within the Alberta Research Council, the Vegreville lab, the private sector, and the co-operative ventures between the private sector and the public sector in AOSTRA, where there's a goodly number of people working on unlocking the secrets to the oil sands. With respect to the manufacture of petrochemicals, Alberta has built and is continuing to build on its status as a world-scale competitor.

Mr. Speaker, the Provincial Treasurer is not the only source that indicates that Alberta's economic strength is among the highest in Canada. I think part of the problem is that perhaps the doom and gloomers forget that we have to look at where we've been and where we're starting from. For example, the president of the Investment Dealers Association of Canada projected, in a speech in the United States late last year, that in the 1983 to 1992 decade within Alberta, there would be a greater than Canadian average investment. He also indicated that personal disposable income in Alberta was the highest in Canada in 1983. During the 1980s, nonresidential investment is projected at over 4 percent in real terms in Alberta, and that's greater than the national average. About 40 percent of that is

projected to be in our base industry, the oil and gas industry. As the budget indicates, retail sales have consistently been the highest in Canada on a per capita basis.

I submit all of that means that we have an economy with strong underlying strengths, and we are facing good, solid prospects for the recovery projected within the budget. You know, Mr. Speaker, I listened to the hon. Leader of the Official Opposition's comments with respect to the economy, and his accusations that there was a weakness. But I also listened very hard, very carefully to try to find out what his prescriptions were; in other words, I looked for the beef. It's interesting to note that the Leader of the Official Opposition has discovered that heavy oil development is a significant part of our economy.

MR. WEISS: Who was against Alsands?

MR. PAHL: That's right. My colleague from Fort McMurray-Lac La Biche asks, who was against the Alsands project? On that point, Mr. Speaker, I would like to perhaps take some issue with the Provincial Treasurer's remarks in that regard. He outlines the prospect, the possibility, that revenues from conventional oil and gas will decrease. I suspect that's inevitable; it's simply a matter of time. The sooner we are able to convince the decision-makers across Canada in both the federal government and the oil industry that a bird in the hand is worth two in the bush and get on with another Alsands-type project, the better off we will be. Certainly small is beautiful, but I submit that Syncrude and Syncrude-level activities would be effective.

It was encouraging to have the hon. Leader of the Opposition understand that there is a small-business sector within the oil and gas industry, and I would be pleased to see him support that. But where are the jobs? Then, Mr. Speaker, the hon. Leader of the Opposition said, well, let's send some coal to Ontario. He's picked up on a remark and an effort of the Premier's. Perhaps I stand to be corrected, but I think it was about a 1972, 1974 initiative to see some coal go to eastern Canada. I'm pleased to see that the member opposite is in support of it.

MR. BRADLEY: It took him 10 years.

MR. PAHL: He's taken 10 years to pick up on it; I've had that verified. Perhaps he could get the support of his comrades-in-arms in the Ontario Legislature. I'm sure he's not proposing that we create jobs by having the taxpayers of Alberta provide the \$30 a tonne that would be required to subsidize the transportation cost. Of course we're not really talking about \$30 a tonne. As my colleague from the coal-producing region of Edson constituency points out, when you're talking a mere 10,000 tonnes, you're really talking about a \$300 million subsidy.

DR. REID: Ten million.

MR. PAHL: Ten million tonnes equals — my math is not too good. I'm not a mathematician; I'm an economist. So I could be forgiven. Let's try that again: [10] million tonnes would provide \$300 million worth of subsidy.

Maybe that was what I might call a feeble effort to backtrack on being on the wrong side of the issue about protecting jobs in the Luscar Sterco operation. I'm grateful that my colleagues who responded to that problem kept their own counsel on that, because we would have fewer rather than more jobs on that basis.

The hon. Leader of the Opposition decided that transportation would provide some great jobs. But where's the beef? Pretty weak.

Mr. Speaker, getting back to the objectives of the budget, there were three that were most important. I'll lump them together:

- to make government operations trimmer, leaner, and more efficient;
- to reduce the gap between expenditures and revenue by dealing responsibly with the fiscal realities facing Alberta;
- to adopt a businesslike yet sensitive approach in reducing government expenditure and manpower.

The Provincial Treasurer's budget has indicated that in fiscal terms he has turned the ship of state. I submit that that's leadership for Alberta and for Canada. As the previous speaker pointed out, that leadership starts at the top. I note that the Bill introduced by our colleague the Attorney General two days ago proposed that we, as Members of the Legislative Assembly, forego the legislated 5 percent increase to payments to MLAs. I'll be very interested in what the opposition's position is on that Bill introduced by the Attorney General. That's leadership. That's a zero percent increase, and it does start at the top.

There was some skepticism expressed as to how we would be able to deal with reductions in manpower. Well, in the Native Secretariat, which I have responsibility for, we didn't start at the bottom, as was suggested by members opposite; we started at the top. We were able to eliminate the second highest position in the Native Secretariat, assistant executive director. In speaking to that decision, which really was a matter of the person in the position . . . I would like to spend a moment and pay tribute to the person in that position. It was Mrs. Zella Harris, and I am sure she was known to some of you. She had a health problem and finally took an early retirement, after serving the native people of Alberta and the government of Alberta with both dignity and distinction from 1967 to 1983, a period of some 16 years.

What was decided by the managing director, myself, and the senior staff is that we would make do and spread the work around and accomplish more with fewer people. I submit that the people within the civil service of Alberta understand that. They live with the day-to-day reality of their neighbours who have lost their jobs; that is, something greater than one in 10 in the work force in Edmonton Mill Woods. They understand that people have lost their jobs. They understand that they have taken wage cuts and that they are back to 1980 levels, less 10 percent. So I think the leadership shown in this Assembly will be responded to very well by the people who are in the service of the people of Alberta.

On that point, Mr. Speaker, I again looked for the beef from across the way. His idea of leadership is to cut regional services. It's funny how politics makes strange bedfellows. The hon. Leader of the Official Opposition joins up with Mr. Manning, junior, who wants to cut the elected people representing the rural areas. "Partners in restraint" might be their call. I am very interested in that. I would also like to see how that goes over.

Speaking more seriously to the idea of partners in restraint, I believe there is going to be a recognition and an acceptance of the leadership role of our recipients of grants, who are properly called partners in restraint. We also need to bear in mind that most of those grants account for 80 percent of wages and salaries. I suggest to all hon. members and to the public of Alberta that we should bear in mind what the component of those grants is with respect to wages and salaries. When people express concern about the quality of service, what are they

expressing concern about? We should all be very keen to understand clearly what that is.

Mr. Speaker, I also think there was some considerable leadership shown in the timing and direction of the capital works projects. Speaking directly to an impact within my own constituency, the decision to take the plans for the Mill Woods general hospital off the shelf and start building on the land that has already been acquired will have a considerable positive impact in my constituency. The 150 man-years of work over 33 months will certainly be a tangible effort towards putting people back to work who are in the construction industry, where there is a considerable overhang of unemployment. Similarly, a decision announced earlier in the month to provide a \$10 million electronic products testing laboratory within the constituency of Edmonton Mill Woods will also create a factor of jobs.*

I was interested when the colleagues opposite were concerned about unemployment. The inference was that we didn't care about unemployment. Mr. Speaker, I became very concerned about unemployment, because in the course of about 20 minutes, the unemployed in Alberta jumped from 100,000, when they were referenced by the Member for Edmonton Norwood, to 150,000 when they were referenced by the Leader of the Official Opposition. I have some very serious concerns about that. I hope the inflation in the beef wasn't as dramatic as all that.

Mr. Speaker, I also looked for some solutions, some beef, in how the hon. leader opposite would provide us with jobs. He's against small hospitals. He's against the hospitals in Edmonton Mill Woods and northeast Calgary. I was curious to know why he didn't respond to the ministerial statement on that. I would personally invite him to speak to this point within the constituency of Edmonton Mill Woods. Being against hospitals, needed medical services for people — be they in rural areas, where small hospitals form a very necessary part of medical service, or larger acute care hospitals within our urban areas — just doesn't seem to be part of the grand socialist design. I also wonder why the hon. member would be against public health clinics. He doesn't seem to know about them. We have one of those in Edmonton Mill Woods too, Mr. Speaker. The private sector does very well providing 24-hour service through medical services. In Mill Woods they don't extra bill. I have trouble finding where the beef is.

Mr. Speaker, I have some further remarks, but I think I will have to conclude by indicating that in my assessment of the budget it is a well thought out, excellent display of management. I submit that when you look at the summary, when you look at its objectives, the budget does indeed result in a budget in tune with the times, aspirations, needs, and expectations of all Albertans, as was said by the Provincial Treasurer.

Thank you.

[Mr. Speaker in the Chair]

MR. KOWALSKI: Mr. Speaker, on Tuesday, March 27, of this year our Provincial Treasurer brought down Alberta's fourth budget of the 1980s. It is a most significant document. The Provincial Treasurer is to be congratulated by all members of the House for the empathy he has shown in ensuring that his budget is the most people-oriented in Canada. Without any doubt in my mind, this budget contains the tradition of fiscal responsibility and management that we have been so used to recognizing and accepting since 1971. Additionally, the budget displays to all Albertans the continuing belief in entrepreneurial integrity and in the individual that we have shown and displayed

*See Hansard March 30, 1984, page 238, right column, paragraph 5

with some degree of modesty but with a large degree of enthusiasm over the last 13 years.

In my view, Mr. Speaker, it is significant that this budget provides Albertans with the highest quality of health, education, and social services in the country. It is even more significant that this budget, in the tradition of the past, continues to respond with a variety of new innovative approaches necessary to the emerging needs of Albertans.

Mr. Speaker, the total budgetary expenditure for fiscal 1984-85 is estimated at \$9.644 billion, or an expenditure level in excess of \$4,100 for every man, woman, and child in the province of Alberta. As Albertans, we have become used to the fact that we have one of the highest standards of living anywhere in the world, and that tradition will be continued with the budget presented last evening.

The budget expenditure level of \$9.644 billion, as high as it is, has to be viewed in light of a budget revenue level of \$9.386 billion. Albertans will experience a deficit for the third year in a row. But what is really significant is that our deficit projected for fiscal 1984-85 is \$258 million. While this may be the third year in a row of deficits, the attempts made by the Provincial Treasurer and this government over the last three years are very significant and should be of considerable pride to all men and women of integrity in this Assembly, and of course to all men and women of responsible attitudes and natures in the province of Alberta.

Mr. Speaker, we have to recall that less than two years ago, as a result of some of the very, very negative and devastating policies that came out of Ottawa on that fateful day of October 30, 1980, we experienced a deficit of \$2.48 billion as we entered fiscal 1982-83. A year later, in the 1983-84 fiscal year, that deficit was dropped to \$586 million as a result of responsible attitudes and actions by this government. Now, as we enter fiscal 1984-85, we're projecting that the deficit will reduce itself to some \$258 million.

Mr. Speaker, on the basis of what other governments in North America and Canada are dealing with, the approach taken by this political party, which forms the government of Alberta, is one that I think stands in first place as compared to any particular political jurisdiction in North America and surely in the country of Canada. When we recognize that less than several months' ago, the Liberal federal government introduced a budget for the fiscal year that showed a deficit of nearly \$30 billion compared to a total budget of less than \$100 billion, I think one really has to recognize the importance of looking at the planned deficit for this year of \$258 million compared to a total provincial budget of \$9.644 billion. I think that responsibility on our part is very significant when you consider what has happened.

I think it's important at this time to consider some of the words the Provincial Treasurer used several years ago when he presented his budget. When he brought forward the 1981-82 provincial budget, he very, very carefully pointed out in his Budget Address to all of the people of Alberta — and I want to quote from that Budget Address, because I think there were a lot of people in Alberta who didn't want to believe and didn't want to take the time — some words of caution that were put to the wind. I quote from the 1981-82 report by the Provincial Treasurer in this Assembly.

So, contrary to federal claims, the Ottawa energy proposals do have a significant impact on Alberta's non-renewable resource revenue. The impact is not confined to [1981-82]. Over the next few years, budgetary revenue is expected to grow by less ...

Those words were given some three years ago, and of course there were a lot of people in this province who believed well.

We were told to believe that despite the fact that there was a new national energy program in the country, we would really prosper, while others of a more responsible nature said no, that was not going to happen, and were prepared at that time to stand forward and say: look, we had better prepare ourselves for the next several years because things may not be the way some people in other parts of the country are suggesting to us. I think that prophecy, while at the time I did not appreciate the words of the Provincial Treasurer, certainly has come true.

When you look through the budget document presented last night by the Provincial Treasurer, he starts off with his first sentence "Alberta is on the way back. 1984 will be a year of economic recovery." Because of the credibility of the gentleman, the credibility of the portfolio, and the credibility of the documents put forward by the Provincial Treasurer in recent years, I think we have to consider with some degree of validity the words he began his report with last night.

Mr. Speaker, I think one of the difficult things we have to deal with in our province of Alberta is talking about the two aspects of our budget, the revenue and the expenditure levels. There are a lot of people who believe that a vast majority of the dollars we get for our provincial revenue comes by way of taxes, at the pumps and what have you. Of course we know that there are only two provinces in the country that do not have a direct tax on gasoline at the pumps. Alberta was the forerunner. Because of programs we initiated a number of years ago we eliminated the tax we had, despite the fact that less than a year ago, several members of the opposition party stood up during the debate on health care facilities and concerns and said: why don't you tax more; why don't you bring in taxes on gasoline; why don't you bring in increasing income taxes? We were not prepared to do that, because there's a different approach: hold the line on your expenditures and be as responsible as you possibly can.

If you look at the global figure for 1984-85, with a reduction of 1.7 percent — the first time in 40 years I can recall any jurisdiction in North America in the last number of years going in that direction — it's a matter and an item we all have to be very, very proud of. There's no doubt that even 3-percent-Walt was disappointed with the position put forward last evening, Mr. Speaker. It may be politically advantageous for an individual to stand up and attract some bored newspaper reporter or media type and say, hey, in a couple of weeks these guys are going to bring in a 3 percent sales tax. That of course stirs up a bit of controversy. While that may be the position of the independent party of Alberta or the Social Credit Party of Alberta, it's certainly not the position of responsible people.

I recall that a very, very active political group in the province of Alberta, the Progressive Conservative Association of Barrhead, at an annual meeting less than two months ago, said that they would be totally opposed to a provincial sales tax. This weekend, in fact, a number of responsible people throughout Alberta — builders, people who are very constructive, who are leaders in their various communities — will get together and say, hey, let's try to develop some new policies to react to the issues we have in this year and actually build towards where we want to be in 1985. There won't be any whiners, complainers, and knockers there, because that's not the type of person who gets involved.

One of the resolutions that will be brought up for debate will be one put forward by the Progressive Conservative Association of Barrhead, and it essentially says: be it resolved that the Progressive Conservative Association of Alberta opposes a sales tax. Some of us feel very, very strongly about that. Some of us have indicated that we would use and fight with all the strength we have in our persons and our bodies to ensure that

a sales tax would never be brought into this province. I for one, while I've been reducing in size and am now probably about 215 pounds, will commit every ounce of that energy to ensure that we do not commit ourselves to a sales tax. While 3-percent-Walt and the group he wants to set up may want to bring that in, he will find that there will be considerable opposition to that.

We don't have to go to British Columbia to get our source of wisdom in terms of how we would deal with a provincial budget in Alberta. There's no doubt at all that if one were to look back at the last number of years, really since 1946 — I choose that date because it is the year after the conclusion of the great, massive, devastating war. If you take a look at the economy of Canada, you can look at it from two perspectives. You have to look at it from the perspectives of expansion and of downturn or contraction in an economy. If we go through that time frame from 1946 to the present, we find some very interesting things. You get the impression being put forward by some people in this province that you can get on an economic slide and it goes up and up and up, and nothing ever happens; you just keep reaching for the stars. The reality of life of course is that is not the case. All individuals, all human beings — and there are some members in the House who will relate to this when I use the example — know full well that if the clothing they wear is built only for a size 40 waist and they expand beyond that, there is a reaction and they must then contract. Economies are not much different from that, Mr. Speaker.

If we look at that time frame since 1946, we see some really interesting things. It's in that perspective that our budget has to be looked at. If we begin in February 1946 and go through to October 1948, a period of 32 months, the economy of Canada and Alberta expanded. In the time frame of October 1948 through September 1949, a period of 11 months, we experienced a feeling of contraction. From September 1949 through May 1953, a period of 44 months, the economy expanded.

MR. COOK: Mr. Speaker, on a point of information. Could I ask the hon. member if it was a waist size when he referred to a size 40 earlier in his speech.

MR. KOWALSKI: Mr. Speaker, what really kills the skunk is the publicity it gives itself. In continuing, Mr. Speaker . . . [interjections]

MR. SPEAKER: I suspect that that was said by the hon. Member for Barrhead in a rather humorous vein, but his tone of voice will not come through in *Hansard*. Therefore, for the sake of *Hansard*, which records the proceedings of the House and which might otherwise, because it doesn't have a musical scale shown beside the words, mislead someone, I would respectfully ask the hon. member to consider this last remark further and then perhaps proceed with his other remarks.

MR. KOWALSKI: Mr. Speaker, as most things that the hon. Member for Edmonton Glengarry says are taken by others in jest, I sincerely hope that he would take my remarks in jest and with a full degree of humour.

MR. SPEAKER: How he takes the remarks is one thing, and he does appear to be taking them in a good spirit, but I'm concerned about the record of the House known as *Hansard*. Rather than deal with any kind of reaction or attitude on the part of the Member for Edmonton Glengarry, let's get back to what was just said by the hon. Member for Barrhead.

MR. KOWALSKI: Thank you very much, Mr. Speaker. If there was any innuendo at all that the remark I just made was

of a peculiar nature particular to the Member for Edmonton Glengarry, I would certainly withdraw that and preserve the decorum of the House.

MR. SPEAKER: I thank the hon. Member for Barrhead.

MR. KOWALSKI: Thank you very much, Mr. Speaker.

Mr. Speaker, before I was interrupted, I was going through an economic overview of expansion and contraction in terms of the Alberta and Canadian economies from the year 1946 to the present. Essentially, before the interruption came, I think I indicated that from September 1949 through May 1953, a period of 44 months, the economy expanded. Then from May 1953 to June 1954, a period of 13 months, it contracted. From June 1954 to April 1957, a period of 34 months, the economy expanded. From April 1957 to April 1958, a period of 12 months, the economy contracted. Then from April 1958 to January 30, a period of 21 months, we experienced economic expansion. From January 1960 to February 1961, a period of 13 months, it contracted. From February 1961 to March 1974, a time frame of 157 months, we experienced expansion. From April 1974 through September 1974, a time frame in which many hon. members of this House were involved in debates on economic issues, we experienced six months of contraction. From October 1974 to December 1959, a time frame of 63 months, we experienced economic expansion. January 1980 to June 1980: six months of contraction. Then from July 1980 to June 1981: expansion. Of course since July 1981, most members of the House might suggest that we've experienced some degree of contraction.

The purpose of all of this is basically to point out that in terms of economic environment we experience two approaches, expansion and contraction. If you look at the whole level of 445 months, 363 of them were in a period of expansion in Canada and 82 were in a period of contraction.

When we talk about the provincial economy in the last number of years, we've heard a number of people come out and basically say, boy, this is the worst depression Alberta has ever experienced in its history. Mr. Speaker, not by any sense of any economic imagination, any realism, any historical data, can anybody point out that the kind of economic downturn we've experienced in the last couple of years would compare in any way to the world depressions that were experienced in the 1930s, the 1890s, or the 1870s. In essence, we have malleability in our economy. Basically, what the Provincial Treasurer talked about last night pointed out that we have a number of significant strengths, that unfortunately a few people from time to time may have lost a bit of confidence and said, hey, doom and gloom and the whole thing's over.

Mr. Speaker, because there are builders, and there are people who are prepared to take responsibility and to get things going, I stand in support of the budget that was issued yesterday. There's no doubt at all that Albertans are extremely fortunate. Of all the people in Canada today, we clearly have the highest disposable income per family and per individual. It's interesting as well that a lot of people basically misunderstand the sources of our revenue in our province. When you take a look at the documentation put forward in the Budget Address yesterday, it's of interest to take a look at where our general revenue, our budgetary dollars, comes from. If we look at total budgetary revenue for 1984-85 of \$9.386 billion, it's of interest to note in this document we have for this year what level taxes pay.

There are a number of different types of taxes, including personal income tax, corporate income tax, freehold mineral tax, tobacco tax, insurance corporation tax, pari-mutuel tax, and what is euphemistically referred to as other taxes. If you

look at that, you get a total revenue coming in this year of \$2.666 billion. But as a percentage of total revenue coming to the province of Alberta, our income tax amounts to 18.5 percent of our total provincial tax. There's no doubt at all that at least one member of this House has argued that perhaps we should have a sales tax. The vast majority would disagree with that.

The major single source of revenue to the provincial budget is of course nonrenewable resource revenues: 37.8 percent of that total, or \$4.337 billion. Where does it come from, Mr. Speaker? It comes from crude oil royalty, natural gas and by-products royalty, synthetic crude oil royalty, coal royalty, rentals and fees, and bonuses and sales of Crown leases. It's the private sector, private enterprise, that has built that industry in the province of Alberta, that makes it turn today and will continue to make it turn in the future. I know there are some who stand up and wave a red flag and say yea, yea, Petro-Canada and everything else. But in essence, for the entrepreneurial spirit we have in the province of Alberta, we as a provincial government are totally dependent upon the healthiness and the steadfastness and the innovation of that particular sector.

We've heard a lot of what I guess we have to classify as — call a spade a spade — propaganda coming from Ottawa. Some lady recently sent a letter to everybody who gets child care allowance, and basically said: Alberta, you get something like \$1 billion from the federal government every year for health care. On page 36 of the 1984 Budget Address, the payments from the government of Canada are clearly identified in the budget document, that all responsible people not only in Alberta but in Canada can take a look at. If you take a look at the total amount of money in terms of transfer payments that we receive from the federal government of Canada, they will come out in the 1984-85 fiscal year to some 10.3 percent of our provincial total. That's \$968 million. Madam Begin has basically said that we're getting that for health and health services alone. That is an absolute bunch of nonsense. You take a look at the document and you see what it's for. You can break it down: Canada assistance plan, \$340 million; hospital insurance, \$265 million. That's a far cry from the \$1 billion that at least one Liberal is trying to propagate to all the responsible citizens in the province of Alberta.

Postsecondary education, \$144 million; extended health care, \$95 million; training and manpower, \$45 million — how paltry that is. It pales in significance when you recognize the announcement recently made by the Minister of Manpower, the portly representative of the constituency of Bonnyville. When you look at that total, there is absolutely no way that Madam Begin has any merit whatsoever to her argument. That one piece of paper that she used, in an infiltrating approach to all of the good citizens of Alberta, is absolute, outrageous propaganda and nothing more than that.

SOME HON. MEMBERS: Shame.

MR. KOWALSKI: It is shameful; no doubt about that.

Our other sources, in terms of fiscal 1984-85: the Provincial Treasurer has estimated that 2.1 percent of our provincial totals will come from permits and licences fees, such things as motor vehicle licences, land titles, and timber rentals and fees. Utility and trading profits will bring in 3.3 percent, essentially through the Alberta Liquor Control Board. Other revenue, a rather important amount of \$169 million or 1.8 percent, will come that way as well.

When you total all of this up, all the dollars I've talked about, it does not arrive at \$9.386 billion. It amounts to only \$7.856 billion. The difference, the icing on the cake, the fortune

we have today in our province, is the direct result of an incredible decision made in this Legislature about 10 years ago, when the decision was made to create the Alberta Heritage Savings Trust Fund. The thought at that time was that we would deflect a certain percentage of our provincial revenue to put into a fund for a time in the future. Some people have argued that, well, we'll keep it for a rainy day. Others have suggested that we're almost at the rainy day period. Maybe we are, Mr. Speaker. That's why there was a collective decision made by the wise people who form the government of Alberta, who basically said that instead of deflecting 30 percent of resource revenue to the Heritage Savings Trust Fund, what we would do at this period in time is deflect only 15 percent into the fund and use the other 15 percent to operate the General Revenue Fund of the province of Alberta.

In the fiscal year we're in, 16.3 percent of the total provincial budget will come from heritage fund investment income — or, in the manner in which the Provincial Treasurer described it yesterday, which perhaps would have a little more realism to a lot of people, two out of the 12 months per year in the province of Alberta the total operations of the public sector in this province, be it the provincial government or the various municipal governments, will be funded by the Alberta Heritage Savings Trust Fund.

We have some who in the last number of years have argued that we don't really need a trust fund; we should take that money and spend it; spend, spend, spend. Fortunately wisdom has prevailed and we do have a Heritage Savings Trust Fund which is of importance and significance to all of us who are responsible in this province.

Mr. Speaker, I talked about the revenue. I now want to make a few comments about the expenditure level. It's of interest to me to look at some of the documents the Provincial Treasurer outlined yesterday. Anybody can pick up a document and make a quotation here, a quotation there, and say, well, you've cut back this .3 percent, you've cut back that .47 percent, or whatever. That's very, very easy to do. Just to prove how easy it is, I'm going to flip the document over, and I'm going to look for some of these things.

Here I am on page 116. It says "Municipal Affairs". I recall an hon. member not too many minutes ago standing up and saying, boy, those poor councillors he met with this morning were just depressed about the whole thing. Just by random chance, I look on page 116: the county of Vulcan, 16.6 percent change in their municipal grant program from last year to this year. I'm going to go down to Barrhead. County of Barrhead No. 11: a poor county in the province of Alberta, but we're still going to experience a 3.9 percent increase, and we're pretty happy to get that. Down to the county of Lac Ste. Anne, another poor county in the province of Alberta: 2 percent.

Why don't I flip the page over and see what happens in some towns? Why don't I look at the town of Barrhead? That's one I know about. The hon. member said that these municipal councillors were really, really depressed. I look at Barrhead, page 110: a 17.7 percent increase. I'm astounded by that. I'm really pleased with that. I think the mayor will be very happy with this. Of course that's really the kind of message I want to project, because he will be very happy and so will those municipal districts in all parts of the province.

When we look at our expenditure level, Mr. Speaker, where are we going to be spending our money in fiscal 1984-85? Health care costs: 26.8 percent of the total provincial expenditure level. That'll amount to \$2.517 billion. Education: 22.6 percent, \$2.129 billion. Social Services: 12.1 percent, \$1.136 billion. Those are people programs of a very, very basic nature. When you quickly add that up, that's 62 to 63 percent of the

total provincial budget going to those important people programs — Health, Education, and Social Services. We can go down the list. Transportation and Communication: 10.9 percent. All programs delivered for people and people projects.

Mr. Speaker, I think we're pretty fortunate. I know that 3-percent-Walt isn't here. But when the Provincial Treasurer makes the statement that we have the lowest tax system in the taxation regime in the country of Canada, I think it goes without saying that it has to be repeated from time to time. Just take a look at basic income tax in the province of Alberta for 1984-85. Our basic rate is going to be 43.5 percent of the total federal rate. When I look at other jurisdictions in the country of Canada, it nowhere compares. Let's just look two provinces to the east, Manitoba. Now why would I choose Manitoba? Well, I guess it was only because it was second on the list. That jurisdiction has a particular government with a particular political philosophy. Our basic rate of provincial income tax is 43.5 percent. In good old Manitoba, headed by the New Democratic party, it's 54 percent.

The next graph refers to high-income surtax. Gee, Alberta doesn't have one. But if you look at Manitoba, it's got a high-income surtax of 20 percent. I guess those millionaires really should pay 20 percent more. If you're making \$50 million, \$60 million, \$70 million, \$80 million a year, you should pay. I'm sure even the Member for Rocky Mountain House would say you should. But it's interesting, Mr. Speaker, when you go down to define what a high-income surtax is and what it applies to. In good old socialist, egalitarian Manitoba, you pay a 10 percent high-income surtax if your provincial tax payable is in excess of \$2,640. We're hardly talking about millionaires. We're talking about the vast majority of honest men and women who struggle to make an average living. In Alberta they don't have to pay a high-income surtax. But in the land of milk and honey, you make \$2,640 and you pay and pay.

You don't stop there, Mr. Speaker. There you pay 6 percent retail sales tax. Gee, we don't have anything like that in Alberta. You even have to pay 16 percent gasoline tax. We don't have a gasoline tax in Alberta. My oh my, Manitoba is really not that bad when you come right down to it. In Quebec you're paying 30 percent. The tobacco tax — I guess it's a health craze there — 2.1 cents per cigarette. And look at small-business rates. Look at the general rates. In Alberta we're trying to provide an invigoration for our small-business people. We're trying to give encouragement and incentive to our entrepreneurs. Our small-business rate of tax is 5 percent; in Manitoba it's a whopping 100 percent higher. Even our general rate for business is 11 percent; in Manitoba it's at least 60 percent higher. They have something else called the capital tax. You own anything, you have any capital assets, and they get you. They get you .3 percent per year because you own some assets. It's just absolute nonsense.

We are rather fortunate, Mr. Speaker. A lot of us don't believe we should have any responsibility for paying for anything. But I think the vast majority believe that we do have a responsibility. The government is no more than the 2.3 million people who live in this province — the men, women, and children. They understand what responsibility is.

Last night the Provincial Treasurer issued a very, very responsible budget. It's one that I am very proud of. Just to repeat a few of the highlights: the fact that we're going to have a fiscal reduction of 1.7 percent in total expenditures this year — the first time in some 40 years when the government has been in a position to do that. We have no further tax increases. Our deficit has dropped dramatically from only three years ago; this year it will be a manageable \$258 million. In the next

several weeks and several months, as all hon. members stand up and challenge a variety of ministers when they present their estimates — if all of them, instead of asking for all of that, dutifully said, we only ask for 10 percent, or we ask for a 10, 15, or 20 percent reduction in what we anticipate we should get for our constituencies this year, then it may very well be that by the end of the fiscal year 1984-85 the deficit could be removed.

I want to be very responsible today and ask all my colleagues: if you need that extra 20 miles of pavement, just reduce it to 10. I think that will be very responsible as a provincial government, as a provincial party.

AN HON. MEMBER: You just blew it.

MR. KOWALSKI: That is probably going to be a difficult item to deal with, Mr. Speaker, and a very, very difficult one to handle. But undoubtedly it's very important.

Mr. Speaker, when my good friend from Spirit River-Fairview got up a little while ago, he forgot to make mention of a statement. A week or so ago I indicated that this government is extremely modest. It very, very seldom ever pounds itself on the chest and says, this is what we're doing. There is an item in this budget, in the highlights. It simply says: "A new venture capital program for small business". I really wonder what that is. A year ago we had Vencap come into place — extremely successful. It's happened. But no questions today by any of the so-called inquisitive members of the opposition with respect to what a new venture capital program for small business is. I'm kind of excited, and I have a lot of faith in the Minister of Tourism and Small Business. Undoubtedly within the next number of days he will be in an excellent position to provide us with further information with respect to that.

Mr. Speaker, I'm pretty proud of being an Albertan. I'm pretty proud of being a member of this House, and I'm extremely ...

MR. SPEAKER: May I draw to the hon. member's attention ...

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

MR. SPEAKER: Does the House agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. CRAWFORD: Mr. Speaker, the House is to sit tomorrow evening. Committee study of Bill No. 28 will be the first order of business and, following that, second reading of the Young Offenders Act. On Friday we plan on third reading of the appropriation Act and as much as might be done in respect of the Young Offenders Act. Subject to those two matters being dealt with, which are ones that must receive Royal Assent at an early date, the House will return to the budget debate.

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

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

[At 5:29 p.m., pursuant to Standing Order 4, the House adjourned to Thursday at 2:30 p.m.]