

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Wednesday, May 2, 1984 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

**head: TABLING RETURNS AND REPORTS**

MRS. OSTERMAN: Mr. Speaker, I am tabling the annual report, ended December 31, 1983, of the Supervisor of Consumer Credit.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. KOWALSKI: Mr. Speaker, it's my pleasure this afternoon to introduce to you, and through you to all Members of the Legislative Assembly, some 50 smiling and energetic grade 6 students from Barrhead elementary school. They are seated in the members gallery and are accompanied today by teachers Mrs. Maureen Tansowny and Miss Carolyn Spratt and by bus driver Mr. Bill Brinton. I ask our young guests to rise and receive the traditional accord of the Assembly.

MR. COOK: Monsieur le Président, je veux faire une introduction encore en français. Il y a des étudiants dans la galerie publique de l'école Queen Elizabeth ici à Edmonton, dans le comté d'Edmonton Glengarry, et de l'école polyvalente de Sherbrooke.

Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, 58 students from Queen Elizabeth high school in the Edmonton Glengarry constituency and their exchange partners from l'école polyvalente in Sherbrooke, Quebec. They are in the public gallery. They've had a tour of the province — they've been to Jasper so far — and I think they're enjoying their stay. I ask them now to rise and receive the warm welcome of the Assembly.

MR. OMAN: Mr. Speaker, today it is my pleasure to introduce to you and to members of the Assembly a number of members of the board of directors of Foothills Academy in the constituency of Calgary North Hill. Foothills Academy is a private school that was founded for the purpose of accommodating children with severe learning disabilities, of which some better than 80 are enrolled. The members who are here today are in the members gallery, and I would like to introduce them: Mr. Mal Grainger, who is the chairman of the board; Mr. Bill MacKasey, the past chairman; Mr. Tom Aylesworth, the secretary-treasurer; Gordon Bullivant, the executive director; Maureen Shaw, director; and Linda Hays, director. I would like them to stand and be welcomed by the House, please.

**head: MINISTERIAL STATEMENTS****Treasury**

MR. HYNDMAN: Mr. Speaker, I wish to announce changes in public pension policy, which will update pension administration and protect taxpayers and pensioners.

The provincial government administers and guarantees the public service, public service management, and MLA pension plans. On behalf of other public employers, it administers and guarantees the local authorities, universities academic, and spe-

cial forces pension plans. As well, it guarantees but does not administer the Teachers' Retirement Fund.

In 1981 the province initiated a major improvement in the funding of our long-term financial responsibilities for the pensions of some 160,000 current and former public employees. At that time a separate, new pension fund was created, and both employee and employer pension contributions are now deposited in that fund. Additionally, the province transferred a \$1.1 billion lump sum into the new pension fund in order to reduce the burden on future taxpayers of the large unfunded liabilities which had accrued over the years prior to 1981.

The wisdom of these measures is becoming increasingly evident in light of the dramatic changes in our provincial revenue and our budgetary position since 1981. Actuarial valuations showed that liabilities of these six plans totalled about \$2.7 billion on March 31, 1981, and over \$4 billion if the discretionary cost-of-living component is included. From 1981 to 1983 the pension fund grew from \$1.1 billion to \$1.8 billion by reason of investment earnings and employee/employer contributions.

Although always judgmental, the actuarial studies now indicate that current contributions by and on behalf of current employees and earnings thereon of the pension fund will not be sufficient to provide for the benefits that will be earned by those current employees in some of these plans. The deficiency is particularly notable in the case of the two largest plans, the public service pension plan and the local authorities pension plan, which involve a total of 122,000 contributing employees and 518 public employers in the province. The shortfall in meeting just the current costs which are accruing under these two plans is 2.8 percent of an employee's salary in the case of the public service plan, and 2.9 percent of salary in the case of the local authorities plan.

Mr. Speaker, to allow this shortfall to continue without remedial action will put at risk the fiscal credibility of the province and could place a large tax burden on Albertans in future years. Therefore the government will introduce legislation soon to put into effect phased increases totalling 1.25 percent of salary for employee contributions and 1.25 percent of salary for employer contributions under each of these two plans, commencing January 1, 1985. These increases will ensure that current contributions will come close to meeting the current costs under the plans.

Another option, which was considered but discarded, was to cover this shortfall by a reduction in benefits for existing and future pensioners. A further option is a second large lump sum payment, but provincial revenue and budgetary realities preclude this approach. Therefore a phased increase in both employee and employer contributions is the preferred and realistic option now. It should be clearly understood that even with this phased increase, there will still be an unfunded liability under the plans.

Recognizing the pressures which exist currently on the budgets of both households and public employers, I will propose that this 1.25 percent contribution increase by both employers and employees be phased in over a five-year period, resulting in an annual increase of a quarter of one percent in the contribution rate of both employees and employers in each of the years to 1989, commencing January 1, 1985. This will raise both employee and employer contribution rates under the public service plan from an average of 3.8 percent of salary now to approximately 5.05 percent of salary by 1989.

With respect to the local authorities plan, employee contributions will also be raised from 3.8 percent of salary now to 5.05 percent of salary in five years. Employer contributions will be raised from the present average of 4.8 percent to 6.05

percent. The application of the Canada Pension Plan affects the percentage of salary contributed in individual circumstances.

Under the five year phase-in, an employee of a local authority or of the government earning, say, \$20,000 per year will pay approximately \$4.20 per month more in 1985, with similar increases in each of the subsequent four years. The matching increases in employer contributions will also cost government and local authorities one-quarter of one percent of salaries each.

In addition to providing for these changes in contribution rates for the two largest plans, legislation will also be proposed that will contain changes to update all six pension statutes administered by the government. The rewritten legislation and/or amendments will provide for the following. All existing benefits under the pension plans will be maintained, and all will continue to be guaranteed by the province of Alberta. The existing six pension boards will continue as separate entities. The traditional quasi-judicial powers of the boards in individual cases and their traditional authority to act as appeal tribunals on administrative decisions will be set out with greater precision and clarity. Clear confirmation that pensioners will be able to appeal to the courts on matters of law or jurisdiction will be contained in the legislation. Pension policy will continue to be the responsibility of the Legislature, and the Executive Council where regulations have been passed; pension boards will be responsible for providing policy advice regarding the pension plans. The administration of public pension plans will continue to be the responsibility of the minister responsible for public pensions and the Treasury department.

In conclusion, Mr. Speaker, these important updating initiatives and the phased-in contribution changes represent sound pension management and will reduce the liability facing future taxpayers as these pensions come due and payable. It makes sense to carry out these responsible moves now, so as to maintain the integrity of our provincial finances and to protect our taxpayers and pensioners.

#### head: ORAL QUESTION PERIOD

##### **Abacus Cities Investigation**

MR. NOTLEY: Mr. Speaker, I'd like to direct the first question to the hon. Minister of Consumer and Corporate Affairs. It deals with the Securities Commission review of the Abacus Cities collapse. As I recall, the minister indicated that she had not yet received from the Securities Commission the recommendations with respect to their study into Abacus. However, could the minister advise the Assembly what the policy of the government is with respect to ministerial review of matters such as this? For example, is it the policy of the government that the minister should stay abreast of reports as controversial and expensive as the Abacus Cities review, before the reports are sent to review teams?

MRS. OSTERMAN: Mr. Speaker, I don't propose to answer the hon. member's question in terms of the government's role in this matter; I propose to answer the question in light of what I believe my role in this matter should be.

Under the Securities Act, the Securities Commission has very onerous duties placed upon it. Certainly not the least of those are investigative duties. Those duties are carried out by that body, which is of course a quasi-judicial body with a fair amount of clout with respect to the types of undertaking they may see as appropriate with respect to anybody operating in the investment community, which they regulate.

In light of that, Mr. Speaker, I see the minister's role as basically one of a policy area, certainly not an investigative area — I believe that is the appropriate role of the Securities Commission. If we believe cases have been brought forward that require additional review of the Securities Act in light of possible policy changes, I believe that is the most appropriate role of the minister.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given that answer and the ongoing policy considerations that must be the responsibility of the minister, and also given the fact that this review has now gone on since 1979, I believe, what is the policy with respect to at least preliminary findings being made available to the minister in the case of an extensive, seemingly unending review?

MRS. OSTERMAN: Mr. Speaker, if the commission believed it was appropriate and they actually had information that was detailed and final enough to give the kind of overview of a particular case that the minister should have, I think that information would be forthcoming. But obviously the commission, especially in looking at the particular Abacus situation, wouldn't have had that overview, not having received a report. Having received a very voluminous report, it would then be in a position of needing some extra time to go over the recommendations, if there are specific recommendations in the report, in order to make recommendations to the minister.

MR. NOTLEY: Mr. Speaker, a supplementary question. It is my understanding that during 1979, the Securities Commission was reviewing some two prospectus applications a week from Abacus. My question is, has the minister undertaken any study to determine whether or not the Securities Commission itself was able to properly fulfill its functions?

MRS. OSTERMAN: Mr. Speaker, I assume that the commission properly did its function in terms of the Securities Act.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister indicated that she assumes. However, has the government or the minister undertaken any review of the actions of the Securities Commission itself, to determine whether it did its job or whether deficiencies may have contributed to the problems encountered by those investors?

MRS. OSTERMAN: Mr. Speaker, I think that question would be most appropriately addressed when I receive a review of the report that has been submitted to the commission, and undertaken on behalf of the commission by the group, in looking at the whole situation with respect to Abacus.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister in a position to confirm that concerns regarding possible contravention by Abacus of section 14 of the Alberta Companies Act have been brought to the attention of the Securities Commission? Just by way of explanation, that is the section which prohibits loans to employees or directors, to purchase.

MRS. OSTERMAN: I'm not aware of such a concern, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a further supplementary question. On April 18 the minister took as notice a question with respect to whether or not a certificate, under section 167 of the Securities Act, was issued with respect to Dial Mortgage. Is

the minister in a position to advise the Assembly today whether or not a certificate has been issued or whether or not the minister will ask the commission to move with respect to both Dial and Abacus Cities?

MRS. OSTERMAN: Mr. Speaker, there has been no certificate issued in either case and, at this point in time, it would not be my undertaking to request the commission to move prematurely, when all the information isn't available.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. A few days before the recess, the Attorney General advised the House that in approximately two weeks, he would be in a position to advise the Assembly whether or not any further action or charges would be laid with respect to Abacus. When can we expect an announcement to be made?

MR. CRAWFORD: Mr. Speaker, I recall the hon. leader's question on that occasion, and I remember beginning by saying that it would be at least two weeks. Then he wanted to pin me down, so I said, okay, if you want to pin me down, two weeks. It turns out it's perhaps going to be just a bit longer. I don't mind indicating to hon. members that I have had some briefing with respect to the criminal law aspects of the investigation. That occurred last week. My view is that perhaps as many as two additional meetings with the experts involved will be required. In light of that, Mr. Speaker, I'm not inclined to estimate as to just how long that might take.

MR. NOTLEY: As long as it isn't five years, Mr. Speaker, and hopefully during the spring session. I would hate to see the session slide by.

#### **Rail Line Capacities**

MR. NOTLEY: Mr. Speaker, in the absence of the hon. Premier, I would like to direct the second question to the Minister of Economic Development and the Minister of Agriculture. It is with respect to the Premier's warnings of confrontation over railway policy — or at least public statements attributed to the hon. Premier. Is the government in a position to advise the Assembly what major priorities the government of Alberta has with respect to improvements in the rail handling facilities of this country? I'll direct it to the hon. Minister of Economic Development.

MR. PLANCHE: In about 1978 or '79, Mr. Speaker, WESTAC, the group of transportation people that is involved in the total transportation infrastructure for western Canada, agreed unanimously that at the rate of increase in freight demand going west, within a given number of years there would be some 8 million tonnes' shortfall in the capacity of the system by 1985 and about 20 million tonnes a year by 1990. So our first priority, of course, would be to see to it that our commodities can move freely and competitively to tidewater.

In that grain was travelling at a lower rate than other commodities, the second most important consideration was that it wouldn't become a second-class commodity in terms of priorities of the railroad and be left on the siding, to damage our relationship with our customers as a valuable and consistent supplier of grain and agricultural products. So our priorities would be to be sure that the capacity was equal to the demand for our commodities for our foreign customers and that we continue to maintain a reputation as a secure supplier.

MR. NOTLEY: Mr. Speaker, a supplementary question, first to the Minister of Economic Development. Has the government of Alberta identified any specific capital projects which are not already on the agenda of the two railways in this country but which it feels are necessary in order to meet the objectives the Premier is attributed as suggesting?

MR. PLANCHE: Mr. Speaker, the list of priorities for capital construction for the railroads is, of course, theirs. It's a fairly sophisticated approach to prioritization. It involves sections of the railways carved out one at a time, their traffic input considered, and the kind of cost they need to make each link as strong as the succeeding one. That includes changing grades and providing tunnels and four-tracking in a variety of places.

Our concern is not so much with any one component of the traffic system as in being certain that they all come to fruition at the same time, to allow us to ship our products competitively. That includes alternate modes of traffic in the port of Vancouver area. It includes a sophisticated container handling system at the port of Vancouver. It includes access to Roberts Bank, for hazardous goods. It includes access for petrochemicals on the Fraser River, through Rupert and through Vancouver, and a variety of things — not simply track upgrading or capital costs.

But to conclude, Mr. Speaker, the priorities for rail upgrading are theirs. They will be sequential, and they will be determined on the basis of being certain that each component of the facility is improved, in keeping with the other's capacity to handle.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could the Minister of Agriculture determine whether or not any discussions took place between the minister and the government of B.C. with respect to the Unifarm proposal of some two years ago now, I believe, that a study be commissioned concerning the feasibility of a rail link through Tumbler Ridge, in view of the very significant BCR investment in a railroad to that community?

MR. FJORDBOTTEN: Mr. Speaker, I don't recall any discussions with the B.C. minister. But I certainly do recall that during the process of our review of the system and the upgrading that we felt had to take place, the B.C. Rail links was one of the concerns we looked at.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could the Minister of Agriculture identify for the House what priority the government would place on links with BCR or, where possible, integration with BCR?

MR. FJORDBOTTEN: Mr. Speaker, it isn't in the jurisdiction of the province of Alberta to make that decision; it's with the federal government. It's my understanding that discussions between the federal government and BCR with respect to rail links are now taking place.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could the Minister of Federal and Intergovernmental Affairs advise the Assembly whether the government of Alberta has made any representation whatsoever to Ottawa with respect to the special problem BCR faces, that the new Crow rate Bill does not apply to BCR? Has any representation been made, in view of the Minister of Agriculture's comment that links are one feasible option?

MR. HORSMAN: Mr. Speaker, no direct representation has been made by the Department of Federal and Intergovernmental

Affairs. However, the matter may very well be the subject of discussions at the forthcoming western premiers' conference, which will take place next Monday and Tuesday in Kelowna, British Columbia, when the four western premiers will gather. Transportation issues will be on the agenda at that time. At this stage I cannot predict whether or not they will jointly undertake representations on that issue.

MR. PLANCHE: Mr. Speaker, perhaps I could supplement that response. We have been supportive, in a formal way, of B.C.'s request to be included under the new legislation as it benefits BCR. The joining of BCR with an Alberta outlet to tidewater from our northwest is extremely important to us, not only because it's a logical thing to do but because it would cause the CNR to equalize on that rate. That would become increasingly important as the rail rates for grain approach a compensatory rate. So we're very much aware of it. It's a very important point that the member brought up, and we're at it.

#### **Water Quality — Bow River**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of the Environment. I would like to know if the minister has received the study that was completed with regard to effluent irrigation, the possible alternative to river discharge for Calgary effluent, and whether any of the recommendations of that report will be put in place to try to clear up some of the pollution in the Bow River.

MR. BRADLEY: Mr. Speaker, I believe the hon. member is referring to a proposal by Dixon Thompson of the University of Calgary. The department has received a copy of Professor Thompson's proposals. Earlier, the city of Calgary also did a very comprehensive study of alternatives to sewage treatment in that city, particularly recommending effluent irrigation.

Of course, the department is very interested in any project that would protect our major river systems and very interested in sewage effluent irrigation. A number of projects are already in place in the province but on a much smaller scale. I believe there are about 20 municipalities currently using that method to dispose of their sewage effluent.

As I said, the project proposed for Calgary is much larger than anything that is currently in place and, in terms of irrigation projects, would be equivalent in size to either the Eastern or the Bow River irrigation districts. That's the size of the area which would be required for such a project. The department is currently evaluating the proposal it has received.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Are there any funds presently available for the review going on with regard to this report and the implementation of the report — any type of pilot project funds or funds for the city or the committee that is concerned about the pollution in the Bow River — to follow through on those recommendations?

MR. BRADLEY: Mr. Speaker, the responsibility to come forward with a proposal lies with the municipality, which has the responsibility to dispose of its wastewater from its sewage treatment plants in a responsible manner. At this point in time, I'm not aware that the city of Calgary is actively exploring that option.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. In the latter part of 1983, the minister had a meeting with the group concerned about the condition of the water in the Bow

River at the town of Brooks. At that time the minister indicated there would be a follow-up meeting to explore possible legislation and methods and ways of handling the concerns with regard to the Bow River. I am wondering if the minister has set the date for the next meeting, or whether that will be held later in the summer of 1984.

MR. BRADLEY: Mr. Speaker, one of the parameters with regard to initiating that meeting would be the completion and conclusion of the Bow River eutrophication study. That has not been completed yet. Once we have received that study — that was what was going to initiate the meeting with the people in Brooks to further discuss their concerns.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate the timetable with regard to reporting that report, as well as the follow-up meeting by the minister?

MR. BRADLEY: Mr. Speaker, to the best of my recollection, that study is to be completed some time this summer.

#### **Nuclear Disarmament**

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Federal and Intergovernmental Affairs. In response to previous comments from the minister regarding cruise missile testing, can the minister advise if there are any direct provincial measures in the works which will actively promote the non-nuclear deterrent side of world peace and security?

MR. HORSMAN: I'm not entirely sure I understood the intent of the hon. member's question. Is he asking whether the government of Alberta is promoting any particular side of that issue? Perhaps he could clarify his question for me. I just want to make sure I understand his intent.

MR. MARTIN: I'll bring it to a more specific level. Can the minister advise if his department would now be prepared to seek provincial input from our discussions on the whole question being debated at the federal level? I'm now talking specifically of federal Bill C-32, calling for a Canadian institute for international peace and security.

MR. HORSMAN: I thank the member for the clarification, Mr. Speaker. As I indicated on Monday evening, during the course of the estimates debate, I had not yet had an opportunity to review the implications of the legislation introduced at the federal level. That evening I did undertake to review that material very carefully and see whether or not there is an appropriate role for a province or provinces to play with the federal government in the promotion of such an institute. I just happen to be glancing at the *Hansard* of that particular debate. I indicated that

I want to study that very carefully, because if it is more than just a partisan issue, then I think the provinces could very well have a role to play in dealing with such an institute in Canada.

Of course, that was just two days ago. Since that time I've not had the opportunity to review the matter further, but I repeat my undertaking to do so at the earliest opportunity.

MR. MARTIN: A supplementary question to the minister. Has the government given any thought to acting upon the recent suggestion of Mr. Yurko, the MP for Edmonton East and a

former cabinet minister of this government, who has proposed that the centre be located in Edmonton? As he put it:

... it would be located halfway between Washington and Moscow, midway between our two mighty neighbours armed to the teeth with nuclear weapons.

MR. HORSMAN: Mr. Speaker, I have not yet been advised of Mr. Yurko's proposal. Nonetheless, since he is a regular corresponsder with me on matters that he brings to the attention of the House of Commons, I will no doubt be in receipt of such information in the very near future.

MR. MARTIN: A supplementary question. Would the minister make a commitment to pursue this idea with the federal government after Mr. Yurko is contacted?

MR. HORSMAN: As I indicated in my answer now and as I indicated in the debate on my estimates on Monday evening, the matter of the federal legislation and other proposals related to such an institute will be given the most careful consideration by the government when we've had an opportunity to review it in depth.

MR. MARTIN: A supplementary question. Could the Minister of Advanced Education give this Assembly any commitment to take up the matter of an Alberta-based peace research institute? For example, I point out that at the University of Alberta, with 23,000 students, we're down to two full-time professors in international studies.

MR. JOHNSTON: That's not a question; that was a statement.

MR. MARTIN: I asked the question to begin with. I know I woke the minister up. I'll say it again. Would he be prepared to give any commitment to this Assembly to take up the matter of an Alberta-based Peace River institute? The other was just information for him.

MR. JOHNSTON: Mr. Speaker, the Peace River institute of what?

MR. MARTIN: The minister is trying to be cute because he does not want to answer the question.

MR. JOHNSTON: The Peace River what?

MR. MARTIN: Sorry, I got my colleague in. [interjection] He's got the cruise missile over, so he wants an institute.

My question is about a peace research institute . . .

SOME HON. MEMBERS: Oh.

MR. MARTIN: . . . similar to Carleton University's.

MR. JOHNSTON: Would you mind repeating the question? [interjections]

MR. MARTIN: I will say it slowly for the minister. Would the minister give this Assembly a commitment that he will look into the matter of an Alberta peace research institute? For information, I point out again that we're down to two full-time professors at the University of Alberta. Would he make a commitment that he will look at this matter?

MR. JOHNSTON: Mr. Speaker, the consideration of the allocation of resources within a university is a matter for the board

of governors to make recommendations to us. I think the current list of funding for the university has priority in other directions; in particular, economic development, engineering, science, and research. It seems to me that that would be the priority in terms of the University of Alberta. Nonetheless, as the Minister of Federal and Intergovernmental Affairs advised, I'm sure we'll give it serious consideration.

MR. MARTIN: A supplementary question to the Minister of Education. As he would be aware, the last *ATA Magazine* — I'm sure he's read it carefully — is totally devoted to raising the question of how to handle young people's concerns about the threat of nuclear war. My question is, can the minister clarify where the government stands on this pressing issue? Specifically, does the minister believe that it is an issue for the classroom, as asked by the magazine?

MR. KING: The answer is yes, Mr. Speaker. It is an issue that is important to everybody. It is an issue that I am sure everyone is concerned about, and it is in the nature of that concern that we want to have all sides of the issue and all points of view presented in a sensitive and balanced way. As someone once observed, your right to swing your arm ends where my nose begins.

MR. NOTLEY: Will Rogers.

MR. KING: No, it sounds like something Winston Churchill would have said. [interjections]

Mr. Speaker, the fact of the matter is that everybody in this House and outside being interested in peace, we yet have quite different ideas about the best way of achieving it and maintaining it.

MR. MARTIN: That would be a mighty short swing.

A supplementary question to the minister. To put it specifically rather than rhetorically, what steps has his department taken to bring the whole question of nuclear disarmament to the classroom? I'm thinking specifically through the curriculum.

MR. KING: The question of current international relations and the historic questions of the origins of war and the outcomes of war are dealt with in the social studies curriculum as well as in other specialized curriculum. I can't be more specific for the benefit of the hon. member this afternoon, but I'll provide that information to him. In addition to that, we rely upon the professional judgment and competence of teachers in the classroom, subject in most instances to initiatives or directions that come to them from their local school board.

MR. MARTIN: A supplementary question to the minister. Are any new initiatives being planned by his department in curriculum development dealing with the nuclear threat?

MR. KING: No, Mr. Speaker, there are no new initiatives planned. We have no reason to believe that the nature of the issue is any different today than it was 15 years ago or 30 years ago. Since the dropping of the first atomic bomb in 1945, every one of us has lived with the threat of nuclear holocaust.

## ORDERS OF THE DAY

MR. SPEAKER: Might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

MR. DROBOT: Mr. Speaker, it gives me great pleasure to introduce to you and to members of the Assembly 33 grades 5 and 6 students from the Mallaig school in the great constituency of St. Paul. They are accompanied by their teacher Mrs. Isabelle Brousseau, and by parents Mrs. Grace Michaud and Mrs. Yolande Gratton. They are seated in the members gallery, and I would now like them to rise and receive the traditional welcome of this Assembly.

MR. McPHERSON: Mr. Speaker, it's a pleasure for me today to introduce to you, and through you to hon. Members of the Legislative Assembly, 32 grade 6 students from Fairview elementary school in the constituency of Red Deer. Our students today are accompanied by teachers Greg Atkinson and David Stewart, student teacher Wanda McKnight, parents Audrey Rice and Carol Stanvick, and bus driver Peter Huebner. Our students are seated in the public gallery. I look forward to meeting them in a few moments, but at the moment I ask them to please rise and receive the usual accord of the Assembly.

MRS. CRIPPS: Mr. Speaker, third time and maybe I won't strike out. It's my pleasure today to introduce 30 grade 6 students from Breton elementary school in the constituency of Drayton Valley. They are here on an annual tour, as part of their social studies unit on government. Every year the grade 6s from Breton have come to the Legislature. With them is principal Clark Landgraf, teacher Pam Mitchell, parents Judy Flewelling and Dorothy Westin, and bus driver Ted Grzyb. I ask that they rise and receive the warm welcome of the Assembly.

head: **COMMITTEE OF SUPPLY**

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Will the committee please come to order.

**Department of Hospitals and Medical Care**

MR. CHAIRMAN: Does the minister wish to make some opening remarks?

MR. RUSSELL: Mr. Chairman, yes I do. You'll recall that last year at this time, when we were in committee — it's almost exactly 12 months ago to the day — was when we first announced the concept of the hospital user fee program. We've watched the development of that program with a great deal of interest in the intervening time.

I wanted to do something a little different today, though, than what I did a year ago — that was, announce a major new move in the field of hospital budgeting — and just try to get the members to cast their minds on a couple of issues. One is fiscal; the other is a matter of principle.

I can recall very well my first term here as a member of the Legislature, sitting on the government side, in 1971. That was the year the first \$1 billion budget for the province of Alberta was introduced. Had anybody in the Legislature said at that time that 12 years from then, just the budget for health care for the province would be two and a half times the entire provincial budget, I believe they'd have been laughed out of the Legislature. But that in fact is what happened. Twelve years later, in 1983, we had a budget of \$2.5 billion for health care.

I mentioned that because this year the Provincial Treasurer placed in front of us for our consideration a budget which, in round figures, is close to \$10 billion. If past and present trends continue, can we therefore expect that in 1997, just our health care budget will be \$25 billion, two and a half times this year's total budget? That's the experience of the past 12 years.

I'm using that little exercise to get members to try to set a mood or give consideration to the scale of figures we're talking about. Mr. Chairman, governments throughout North America particularly are all wrestling in a variety of ways with the escalating costs of health care and are taking a variety of moves to try to build some controls or some individual responsibility into the system. Unfortunately, the present Canadian Parliament has seen fit to discourage any of those kinds of moves by the provincial governments. I'll speak more about that later.

In referring to the Treasurer's budget, you'll note that the overall increase for the department vote this year is 3.6 percent over last year, which, in a combined operating and capital sense, I think is fairly reasonable for a large department that has difficulty putting budget lids or parameters or fences around any of the expenditures. However, if we take away the fact that the capital budget was significantly reduced from last year and look just at the operating components of the budget, it becomes a little more alarming. If we take away operating and what we call Vote 1, departmental support services, and get to the real votes — that is, votes 2 to 5 inclusive — we see that the increases this year over last year, in what is essentially a period of no growth, are quite alarming.

Members will note that the estimates for the medical services part of the budget, Vote 2, are up 22 percent, nearly one quarter, over last year. In a period of anticipated very, very little growth by way of population increase, and when a zero percent increase has been recognized for the benefit schedule of payments for the medical services professions, and we're still looking at a 22 percent increase in that vote, I suggest that is something that had better alarm everybody in this Assembly.

The combined votes for medical services and hospital care are up 10 percent. I just want to emphasize those particular parts of the department budget. When we're looking at a department budget that's now — what? — 26 percent of our total provincial budget, at a time of zero percent increases in payment schedules and very little population growth, and still grappling with those kinds of increases in our operations for health and hospital services, it's obviously a challenge that's going to get worse before it gets better.

On other occasions we've talked about the concern the provinces have about the declining federal contribution toward the cost of health care services. We find ourselves strapped in the position where we're told what must be delivered and in what way it must be delivered, and had legislation passed that removes any element of personal citizen responsibility insofar as this basic important health program is concerned; yet at the same time, as costs are going up in the regimes I mentioned, the federal cash contribution continues to decline year by year. Again, that is something that I think has to alarm this nation.

I say the nation because of the range of figures I talked about. We're now talking about billions of dollars for a medium-sized province by way of population, and certainly the position of the other provinces is no different. We're very concerned about this insane rush to take off the cost-control features the provinces tried to build into the health care system by a federal government that seems to have no care or concern whatsoever about the deficit or the size of it, the debilitating effect it has on the potential growth of our nation, or the load it's leaving behind for the coming generation. I suggest that those among us who support that kind of philosophy and, at

the same time, look askance at any kind of tax increase, any kind of premium contribution toward the cost of these services, and say that it's a right and never mind what it costs, are taking a very shortsighted view in the life of this country.

If we could turn the clock back, I suppose many of us would like to go back to the year 1969, when the then Minister of Health for Alberta stood in his place here and introduced the Bill that took Alberta into medicare. We've seen two things happen: the great advantages of being in that program, with the good quality of services that have been brought to our citizens; and the universal accessibility of those services to all our citizens has certainly been a great benefit. The spectre of financial ruin has been wiped out for families facing serious illnesses, and that's very important. But we're certainly paying a price for it, Mr. Chairman, and I want to put those things in the background as we start to look at the particular votes here in the department budget.

I'm pleased to say that I think the operating funds are very adequate to continue running our health services at a level and scope that are unmatched in the country. We're continuing in our ability to be able to do that, although doing that has obviously meant that some other things we would have liked to have done have necessarily been left out of this year's budget.

The capital dollars are also encouraging, in my view, with respect to the very excellent hospital system being developed and rebuilt throughout the province. I'm very proud of the network of hospital facilities either being improved, expanded, or rebuilt throughout the rural parts of our province, generally centred in smaller communities and towns. The years of planning and programming and thinking about this that we've gone through in past years are now showing some very visible dividends and results.

While on the Easter recess, I had the pleasure of attending two more openings of new prototypical hospitals, one in the town of Vulcan and one in the town of Black Diamond. In both those instances, I think the MLAs that were involved would attest to the fact that the citizens of those regions were very happy and very excited about the fact that these facilities were coming to their communities. Frankly, Mr. Chairman, I was overwhelmed by the reaction by citizens. In the case of one hospital, the local Legion came forward with a cash contribution and a pledge for more. This was on the day of the hospital's opening, before it even had any patients in it. Two private citizens came forward and gave what, in my view, were very substantial and generous cash donations toward the cost of their new hospital. So in my view, it became something more than just a building — a community facility which everybody was very proud and happy to have there.

On the regional part of the hospital system, I'm happy to report that the last 12 months have seen significant progress. The regional hospitals in Fort McMurray and Red Deer are essentially finished. There's some renovation of the old building in Red Deer that isn't quite complete, but those two buildings are in place. Next month the Grande Prairie regional hospital will open, a beautiful \$100 million facility. Work on the site has now started for the Lethbridge regional hospital. The Medicine Hat one has been under construction for some time now, and excellent progress is being made there. So all those very important regional centres are now either finished or have advanced into the state of construction. Collectively they represent an investment of several hundred million dollars of capital funds belonging to the people of Alberta.

In the two metropolitan centres, by their very nature, because of population growth and their association with the two teaching universities with medical schools, we're seeing excellent referral and specialized services being developed. Some time ago,

we asked the existing major hospital boards in the two metropolitan centres if they would take some time to prepare some pretty good master plans or programs of what they proposed to do during the coming years in their own facilities. We could see an ongoing and never-ending request for capital improvements, and we wanted to try to get the boards to think of a total project and to program and stage that in some way.

About a year and a half ago, we received those reports from the boards of the Royal Alex, the Misericordia, and the Edmonton General hospitals in Edmonton and the Calgary General and district board 93 with respect to the Holy Cross hospital in Calgary. You can imagine our shock and dismay when the total price tag of simply renovating and rehabilitating those five existing hospitals was estimated to be anywhere between \$680 million and \$800 million, depending on the length of time over which that program would be stretched and on the rate of inflation we might experience during that time. I don't need to go into detail to get the members to understand that there's simply no way dollars of that magnitude are available in the foreseeable future for that kind of hospital repair and reconstruction work. Some decisions have been taken — no doubt we'll be discussing them during the course of these estimates — with respect to getting on with the planning and reconstruction of parts of that suggested program and looking for alternatives in other cases.

[Mr. Purdy in the Chair]

We know that the decade of the '70s saw incredible growth in Calgary and Edmonton. You've all heard the chamber of commerce stories about the two fastest growing cities in Canada. That growth was expected to continue through the '80s. Based on that experience and that forecast, we set about developing a program that would very quickly deliver another 1,000 active hospital beds into each of the cities. Just about the time the program was ready to go, of course, the economic tumdown occurred. The population growth stabilized. Thank goodness, our task was much easier, in that we simply were able to cut that program in half and provide one new hospital for each city and accommodate the growth that had already taken place in the newer areas in that manner.

This budget again contains recommended expenditures for a new 500-bed hospital in Calgary and a new 500-bed hospital in Edmonton. The sites have been acquired. They have been prepared. Site work is under way. The architectural drawings are finished. Those projects are ready to go to tender within the month.

Insofar as operating funds are concerned, I would just like to make a few comments about manpower. There's been a substantial reduction in manpower in the department, partly as a result of the overall objective of achieving a small but significant reduction in permanent positions; also, a fairly dramatic reduction as a result of going into automated procedures for the health care insurance plan claims system. That simply means the part of government that pays doctors.

Just to give you some idea of the system that's involved there, in an average week about half a million claims come in for payment. Some of them are on handwritten claims cards that the doctors fill in, others are on very sophisticated data processing tapes and are handled by professional claimers, I guess is the term you'd use. But in any event, we've now fully converted to a system of what is called optical character recognition, and it really started to kick in on May 1. We've gone through the organizational and introductory periods. I think we've got all the start-up kinks worked out of it, and my officials tell me that some doctors in some clinics are now being paid

in a nine-day turnaround period, which I think any businessman would be very pleased to have in place these days — getting his claims paid within nine days. So we expect that system to solidify, spread, and improve. But by going into that kind of automation, we have of course been able to significantly reduce manpower. Those are the comments about the fiscal aspects of the department budget, Mr. Chairman.

Before I sit down, I want to conclude by making some comments about the Canada Health Act. In my view, for Canada that was probably one of the most tragic pieces of legislation ever passed by the Canadian Parliament. It probably represents one of the rawest forms of invasion through the back door of provincial constitutional responsibilities in the history of Confederation. I suppose the highlight of the long and frustrating process that finally led to the passage of that Bill came for me on the day we as provincial ministers sat in a committee chamber in the Canadian Senate. All the provinces were represented and one of the territories was there as well. We went down the row, and everybody was opposed to that Bill. All the health ministers in Canada, who are constitutionally responsible for administering health care programs for Canadians and for finding the money to pay for them, were opposed to that legislation. In the face of that, it was passed by the Parliament. I think all the parties represented in our Parliament can share the blame and responsibility for doing that.

I guess I feel sad about it because I've lived in Alberta all my life and have always felt very comfortable about the fact that people seem to recognize that work, energy, and ambition brought rewards, that programs and things that were valuable had to be paid for, and that if you were at least partially directly responsible for your own welfare and for paying for some of the programs that provided services for your welfare, the system worked better. As an Albertan, I think I've always recognized too that we've probably been among the first Canadians to reach out to our neighbours at times when they needed help and say: if you can't pay or if you're hard up for some reason, we'll look after you. As a responsible citizen, you also accepted the fact that if you didn't pay and couldn't, then you were on your own, whether it's car insurance, house insurance, or health care insurance.

All those things have been taken away from us, Mr. Chairman. Probably one of the most astounding statements made by a federal health minister was made by Monique Bégin, federal Minister of National Health and Welfare, when she said that of course the provinces had the right to maintain a health care insurance premium system but that they didn't have the right to deny services to people who didn't pay their premiums, and that if people didn't pay, that was the province's responsibility, not hers. So three provinces find themselves in the incredible situation where the elected governments have chosen to maintain health care insurance plans which have been in effect for some time but are now being told by a government in Ottawa that it doesn't matter if you pay your premiums, because you're still entitled to the service.

So that kind of nonsense is what the provinces have been fighting. We have certainly lost the first round; that is, the round carried on in the Canadian Parliament. But no doubt there will be other rounds in this issue before that particular battle is concluded. I think all members in this House are aware of the Alberta government's position. It's a sound position, and it's one we're certainly going to try to maintain.

So against those positions, against those obstacles put up by the federal government, against those overwhelming trends in utilization, I am putting before the members, for their consideration and legislative approval, a large budget of in excess of \$2.5 billion, asking for approval of those funds to look after

the health and hospital services of Albertans for the coming fiscal year.

MR. NOTLEY: Mr. Chairman, I might be a little more sympathetic to this government's case if we had seen some action in the last few years, in terms of moving on specific proposals that have been made to improve the efficiency of our system in Alberta. For example, we had the hospital utilization report, which my colleague and I referred to repeatedly during the estimates last spring. The fact of the matter is that the government has failed to take some of the major recommendations in that report that would significantly save operation costs of our hospitals.

In *Hansard* itself, Mr. Chairman, we have the evidence of a proposal on community health clinics brought into this Legislature in 1972 by the former Member for Edmonton Kingsway, a proposal which was frankly left high and dry by this government. Now we have the minister telling us: woe is us; hospital and medical costs are out of control; they are the major contributing factor to the looming bankruptcy of the province, and the only way we can deal with that is to bring in programs that somehow attack the patients. Mr. Chairman, I don't buy that. I would say quite frankly to the minister, neither do Albertans buy that.

People in this province were prepared to back the government of Alberta when they got into difficulties over the Constitution and when they got into difficulties and controversy over the oil policy. I know that because of the correspondence I received when I took opposing positions — without hesitation, I might say, because one has to stand where one believes. When I took opposing positions, I knew quite frankly that the government had the support of the majority of the people in this province. But I want to tell the minister and I want to tell backbenchers that on this issue, the government of Alberta does not have the support of the people of this province. As leader of an opposing political party, let me tell you that I would welcome an election fought over the supposed constitutional issues arising from the national health Act and this government's response to health care in Alberta. I would take that on any time, any place. Without being overly boastful ...

AN HON. MEMBER: Dramatic.

MR. NOTLEY: ... or dramatic — someone said "dramatic" — that is the kind of once-in-a-lifetime political issue an opposition party would seize with relish. Mr. Chairman, because this government has not done a very good job in terms of controlling health costs does not in itself lead to the conclusion that somehow they are protecting the interests of Albertans by bringing in a system of hospital user fees or by allowing widespread extra billing.

I want to say one other thing, Mr. Chairman. I want to say it to the minister, and I am sorry that the Premier isn't here. On behalf of both the minister and the Premier, we've seen — at least in the press — what I would call scare tactics being employed on this issue. We suggest that somehow the national health Act is going to be the harbinger of a system just like the British health service. That simply is not true. People may differ over the implications of the national health Act. But to run around suggesting that we are going to have lineups and doctors on salary in specifically the same way as is the case in Great Britain is not true.

Mr. Chairman, I don't know where members of this government have been over the last 20 years, but I think they should keep in mind that the health system we have in the country today was fashioned in the main on the basis of the



recommendations of Mr. Justice Emmett Hall. Mr. Justice Emmett Hall is not a wild-eyed socialist. As a matter of fact, he is a person who ran as a Progressive Conservative candidate in a provincial election in Saskatchewan. A close friend of the former Prime Minister of Canada Mr. Diefenbaker, chosen by Mr. Diefenbaker to make recommendations on the health care system, he examined the options around the world. He went to Britain and looked at the British system. He looked at the system in Saskatchewan, and he looked at the system in Scandinavia. He undertook one of the most exhaustive reviews of the options and made proposals, and those proposals were the basis of the system we have in Canada.

My colleague and I have made it clear that on one issue, and on one issue alone, we think the provinces have a legitimate point; that is, the federal government has been renegeing on its share of providing funding for health services. I might just point out for the record, though, that when the changes were made in 1977, in the succeeding legislative session I attempted to advise people in this House that we would run into difficulties, that the Liberals might very well try to back out of some of their obligations. At that time, of course, the government wasn't prepared to listen. Nevertheless I find it a little hypocritical for the Liberal Party to claim today that it is the defender of the health care system when, at least in part, one of the problems — not all of the problems — has been a retreat in terms of federal funding for health services in Canada.

Having said that, Mr. Chairman, the fact still remains that we have a provincial government approach to health care which has led to the kind of intervention that the national health Act represents. Canadians want certain things in their health system. Whether or not the members of this caucus recognize it, they want the portability. They want the universality. They don't want a price tag being attached to one's ability to use the health care system that is to retard one's use of the health care system. They recognize that it's going to cost money. And nobody in this debate says there should be a free system; we all know that we have to pay for any public system. But the question is whether it should be paid on the basis of a person's ability to pay or whether it should be paid in part by general taxation and then through a whole series of backdoor arrangements, whether it be user fees, extra billing for doctors, or whatever the case may be.

Mr. Chairman, that represents a difference in philosophy. But that is a difference in philosophy between the proponents of the Hall version of health care — which I think now represents the national Conservative party as well as the Liberal and New Democratic parties — and some of the provincial politicians, particularly the two Tory governments in New Brunswick and Alberta, who on this particular policy have suddenly found a common cause, defending user fees. My colleague and I opposed user fees a year ago, we oppose them today, and we welcome the opportunity to continue the opposition to this kind of regressive policy.

Mr. Chairman, the minister talked about the costs. No one should be unmindful of the costs. But if we look at our system in Canada and compare it to the American system, the fact of the matter is that our system is much better. The minister talked about 1969 and turning the clock back to when Alberta had to enter the national medical care plan. The fact of the matter is that this province and this country are better places to live because of the national medical care plan. What is more valuable than our health? This is a government that is always interested in jurisdiction. When one thinks of the responsibilities of providing a service, what more important service is there to provide in a modern society than a decent health care system?

Sure, provincial governments like to have money for other things like airports eight or nine miles apart; like the kinds of things we will perhaps see in a few weeks' time, when we're going to build a ski hill, Mount Allan; like the park in front of the Legislature Building. Provincial governments like to have money for those sorts of things, like the \$12 million the minister of propaganda spends so that we get the government message out to everybody. But I question whether Albertans consider that sort of service even equal to the provision of health care. Dollar for dollar, we get better value for our money than do the Americans with their so-called private enterprise health care. That doesn't necessarily mean that we can't make improvements within the system we have developed in Canada, but those improvements are not user fees or extra billing.

One of the very interesting examples that I think the minister should take a good look at is the community clinics in our neighbouring province of Saskatchewan, which are still being supported by the Conservative government of that province. The patient costs in the community clinics in the province of Saskatchewan are significantly less than they are in the overall system. The former Member for Edmonton Kingsway recognized that. I still recall that it was one of the first debates that took place in the Legislative Assembly in 1972, when this government came into office. The Member for Edmonton Kingsway outlined the advantages of community clinics, but we haven't gone that route, Mr. Chairman.

When this government begins using scare tactics to defend its position, I just have to say bluntly that I am prepared to debate those scare tactics where the debate should occur, and that is at a provincial election, whenever that election is called. If this is a central issue, great.

Mr. Chairman, I want to deal with several other issues. When the Legislature reconvened, we had the government's decision with respect to significant modifications in both the Edmonton General hospital and the Holy Cross hospital in Calgary. This committee, before we approve the estimates ... When we get to the time when all members have had an opportunity to offer their general observations, we are going to be dealing with the questions that I want the minister to respond to before I, at least, am prepared to vote for these estimates. I don't want figures plucked out of the air — \$168 million — without any evidence put on the table so that members of the committee who are in the position of voting supply know what it is that we're voting supply for.

In the case of the Holy Cross hospital, I've met with both representatives of the workers and representatives of the medical staff. They tell me, Mr. Minister and Mr. Chairman, that the figure of \$168 million is what you might call the Cadillac version of the upgrading proposals. I'd like to know specifically how the minister arrived at that figure, line by line, and we'll keep the estimates of the Department of Hospitals and Medical Care going until such time as we find out what that \$168 million represents. I'm told as well that that's something over 10 years, not over a shorter period of time. I'm told as well that a number of people on the board of the Holy Cross, in the operation of that hospital, suggest that the figure of \$168 million — which I gather is the figure using inflation as a yardstick — is way beyond what is needed, that the Holy Cross is basically a good, functional hospital, and that what we're talking about when we throw out \$168 million is everything from a parking lot, I gather, to various aspects which are not absolutely necessary to the function of that hospital.

Mr. Chairman, if we're going to be talking about getting value for our dollar, then surely we as members of this committee must know what the options are in terms of the Holy Cross and the General. We must know what this government

is promoting. As a matter of fact, I'm advised — and I don't know whether it's correct or not — that the initial proposal of the board of the Holy Cross was much more modest and that the Department of Hospitals and Medical Care suggested they come in with a more comprehensive proposal and then said: no, it's going to be too expensive; therefore we will phase out the Holy Cross as an active treatment hospital and look at an auxiliary hospital with certain other facilities — provision of emergency facilities and also psychiatric facilities — at that operation.

Mr. Chairman, because the minister is as well aware as I am, and probably a good deal more aware, I don't need to tell the minister that in the centre of the city of Calgary, where the Holy Cross is operated, a large number of people feel strongly about this issue. When I met some of the medical personnel at the Holy Cross hospital, one of the concerns they brought to my attention was that a number of senior citizens have settled in close proximity to the Holy Cross hospital. They also pointed out that the hospital has a 93 percent occupancy rate. Wouldst that many of our hospitals in this province had a 93 percent occupancy rate, or even a 50 percent occupancy rate. Here's a hospital with a high occupancy rate. I'm told by the medical personnel that it's a quite functional operation and that the required changes are not nearly as dramatic or as expensive as the government is suggesting.

Mr. Chairman, I just have to tell you — and I trust that you're in the same position, unless government caucus members are given access to these kinds of reports; certainly the Opposition isn't — that other than a ministerial announcement which contains generalities, I've seen nothing from this government to convince me that we have to commit ourselves to an either/or proposition: either a \$168 million renovation project which is going to be more expensive than a new hospital, claims the minister, or we follow the minister's proposal. We don't even know what the cost of the minister's proposal is going to be. We shift the Holy Cross from an active treatment hospital to an auxiliary hospital. There are obviously going to be costs in doing that. We shift people who have been working in that area, and they lose staff. What about the medical personnel? The medical personnel I talked to said that there is a very real danger that by the time we consider some of what I might call the "trip-up costs", we will find that the figures the minister set out for us, in general that is, because we haven't seen his specifics — that in fact we are being very unwise at this stage in pursuing a policy, at least as announced by the minister on March 28.

Mr. Chairman, the estimates, the voting of supply, is the time for specific questions. I know that many hon. members will want to make general observations, and I certainly will await the specific questions until we get past the general observations. But I do want to serve notice now to this government that for both the Edmonton General hospital as well as the Holy Cross hospital in Calgary, my colleague and I will want to have as much specific evidence, line by line, as to what these options are that are now put before the department and before the boards of those two institutions.

Mr. Chairman, I want to make one other comment. It's not a large amount of money, but this morning as I was driving to the airport, one of issues that surfaced on our local Peace River radio station was the cost of the opening ceremony of the Queen Elizabeth II hospital in Grande Prairie. It took us a long enough time to get the hospital. It's going to be a nice facility when it's opened. But the cost of \$50,000 — that's the equivalent of 2,500 people paying \$20 a day for one day. If this minister is concerned about costs, what are we doing with some of these lavish opening ceremonies? I remind not only this minister but

all the front bench that if we're in a situation where we're facing tough times, should there not be a memo going out to every department saying that from now on we're going to set an example: that while it might be nice to have lavish opening ceremonies, we aren't going to do it any more; we aren't going to do it. The entertainment budget of this province is very large. I think that's the sort of thing an awful lot of people, regardless of their political perspective — and I suspect, Mr. Minister, especially some of those people you referred to, those rugged individualists — would say: yes, until times improve we would certainly go along with a moratorium on some of the fancy and lavish parties that are put on to open these facilities.

I'm not just talking about hospitals. I'm talking about all public facilities, whether it's a park or a new provincial building or an airport opening or the general expenditures of the government of Alberta on entertainment. I know that's a small part of a much larger budget, and no one is suggesting otherwise. But it is symbolic of an attitude which I think this government is going to have to respect more and more. A few weeks ago, the son of a former premier made some good points. I don't always agree with Preston Manning. As a matter of fact, I don't often agree with Preston Manning. But one of the observations he made is that there's a certain symbolism in many of the frivolous expenditures we still see apparently unchecked in the operation of this government.

Mr. Chairman, I use this opportunity to say to the Minister of Hospitals and Medical Care that perhaps we could start with a memo going out to all the people planning hospital openings this year, saying that this is one area where we're going to have user fees. There's tea and crumpets. If there are liquid refreshments of an alcoholic variety, maybe we'll have a user fee. Maybe we'll cut down on the number of invitations, or if people come, maybe they'll pay their own way. Maybe we'll show class because people, the rugged individualists in this province, are not going to be terribly upset by going to an opening where we don't have the best of everything but the costs are saved by the people of Alberta.

So I offer those general observations. I close by saying to the Minister of Hospitals and Medical Care that on the issue of the provision of health, I do not think there is a more important responsibility. Let us not get into a situation where we somehow blame this service, which Albertans should have as a right, for the financial difficulties we're in. That doesn't mean we can't improve it; that doesn't mean we shouldn't search for more cost-effective means of delivering that service. Most important of all, Mr. Chairman, it doesn't mean that we shouldn't find a more equitable way of paying for it — not laying the burden on the sick, as user fees do, but in fact catching those people in society who can afford to pay perhaps even more than they are now, through the general taxation system.

I know during this debate — and I just say that last fall when we had the increase in personal income tax, various people said, ah, but you and your colleague were screaming about user fees and here we're increasing income tax. Of course we didn't get a situation of an increase in income tax to eliminate user fees. We got both. Let me say this today, so that it's clearly on the record: as one of the most vociferous opponents of the 13 percent income tax increase last fall, I would say that if we were going to increase income tax so we could eliminate medicare premiums and extra billing and user fees, then frankly I would say okay. I would say okay, because that's a fairer way of paying for it. It means the higher income people pay their share, as they should, and it's going to be more than a system of user fees for high-income people.

But what about the countless tens of thousands of Albertans, the middle-income people, who are caught with the rules this government has set out. They're going to be in a position where the income tax they paid last year will not qualify them for the exemption this year, even though they may be hard pressed this year. That's why I think there are other options available. That's why most Albertans, instead of being opposed to what Madam Bégin is doing, support her as opposed to the Minister of Hospitals in this province. On this issue, I suspect most Conservatives support Brian Mulroney as opposed to the Premier. Health care and the continuation of a first-class health care system is something that the vast majority of Alberta citizens are in favour of, and woe betide any group of politicians who stand in the road.

MRS. FYFE: Mr. Chairman, there are an awful lot of comments that could be made following the Leader of the Opposition, who has made some comments that really deserve a rebuttal. He mentioned scare tactics, and I think that is a grossly unfair comment. Scare tactics, as he interprets them, in my interpretation are realism and responsibility. Unless we communicate to the people of this province that our medicare system and health care system is one of the best and finest systems in the world but also requires the funds to be injected in future years to maintain that system, then we will have shortchanged the people within this province. If we bury our heads in the sand, pretending it is not a concern and that we are not going to budget for it and be responsible and accountable for it, then we have not done anyone in Alberta or even in this country a favour.

The Canada Health Act is a tragedy. It's a tragedy because it fails to recognize the difficulties we have in maintaining this very fine, first-class health care system. The Leader of the Opposition suggests that we could raise taxes to eliminate premiums. That would be a pretty substantial increase in taxes. I'm not sure we want to make that jump by leading the country in taxation. Or maybe we should look at what the cost of the system is. The system of hospital premiums that was announced last year has not been implemented in any hospital in Alberta to date. Yet it's estimated that over this current year, we have saved \$44 million just by the fact that boards have gone back to their administration, they have gone back to their budgets, and they've gone through the budget line by line and looked at some of their priorities within the hospitals without affecting the level of service.

I can't see how that is not a benefit to the residents of our province in the long run or in the short run. It means that as legislators we are concerned, we're responsible. It means the hospital boards have become far more concerned and are demonstrating that they care and that they want to be part of the solution and not part of the problem.

The Canada Health Act is a tragedy because it doesn't encourage any personal responsibility. It simply says that you will have something for nothing, for which you won't pay; there's no direct cost to you. Well, as a user of the health care system — I'm sure there are not many families in this province that are any more concerned about maintaining our health care system than my family is — I have had occasion to take a member of my immediate family out of this province for health care. I can assure you that it cost me an awful lot more than \$150 for one person or \$300 for a year to get that service.

But if you need health care and you need the best that's available, money is not a factor. Your health comes before money. After you have that service, then you consider how important that service was — in this case, a very nominal amount that has already demonstrated its effectiveness in dollars

and cents and has effected a responsibility by a vast number of people who are involved in the health care system. This does not include just the board members. It includes the health professionals who are involved in the hospitals across our province, people who previously assumed that someone else was picking it up — we don't have to worry about the supplies we use, we don't have to worry about the costs, because government is paying for it, that nebulous body out there that collects money for us, transfers it, and we spend it.

Well, there had to be a day of reckoning, and that day has come. Unfortunately the Canada Health Act has not contributed to that day of reckoning, and it is a tragedy. It's a tragedy for our province. I hope that in years to come, our health care system does not deteriorate too far before that is recognized within the House of Commons, within the Parliament of Canada.

To say that it's scare tactics to discuss a comparison with the British health care system, a system that was implemented and practically bankrupt the country — well, it's foolish not to consider that that could happen. On the other hand, no one is suggesting we want to go to the system that is in effect in the United States, which is a very expensive system, a very costly system, and one that we as Canadians have not chosen. We have chosen to be part of a medicare system. We have chosen to ensure that those who have health concerns are not directly impacted by huge medical costs. We ensure that those with the least ability to pay are covered, that those who have serious chronic diseases, those who are elderly, are all covered without any direct costs. I can't see how this could do anything but be of benefit to all our residents, because what we're doing by implementing these policies is maintaining and stimulating a very fine health care system.

The Leader of the Opposition has mentioned areas where we should look to initiate or implement change. I don't think there is anyone who wouldn't agree that there are always ways to improve our system. We have made some significant steps over the last year. Community health clinics have been brought up in this House a number of times. While there are some advantages to health clinics, we must remember that we already have a system of community health clinics in the form of health units, which do a tremendous amount in the preventive field. It's an area where I think we could do more in encouraging our private practitioners to work with other paraprofessionals in developing a system that will encourage greater responsibility and greater prevention in the whole field of health care. These are areas that are being studied. There has been an interdepartmental study between the Minister of Hospitals and Medical Care and the Minister of Social Services and Community Health, to look at ways that we can improve our preventive health services and to encourage that individual responsibility.

The Leader of the Opposition has also talked about new facilities versus upgrading of old facilities. I would like to take this occasion to refer to the new hospital that's going into the Sturgeon hospital district. This is an example of a situation that was another tragic lack of planning in the 1960s, when a hospital was built without any capacity for future expansion. Last year we were forced into the decision of replacing what is a reasonably new facility with a brand-new facility. That doesn't mean the current hospital cannot be used for other purposes.

One of the serious flaws in the comments made by the Leader of the Opposition is that he's failed to recognize one of the significant needs within our major metropolitan areas in this province, the need for auxiliary health care beds. If we can find a way to upgrade our primary care hospitals and also to provide auxiliary beds, which is a crying need, then I believe that this is responsibility. I appreciate the tremendous response

of the constituency I represent and the hospital district therein, and the tremendous support we've received from Hospitals and Medical Care and also his ability to be flexible, to look at the needs and to try to react to those needs.

One last comment I would like to refer to relates to the opening of hospital facilities. The opening of hospital facilities is obviously planned by the hospital boards that are responsible for those buildings. I would assume that by saying we should send a memo out to all the departments regarding openings, as suggested by the Leader of the Opposition — this in effect is saying we should take the responsibility away from hospital boards and transfer those hospitals to the provincial government. I'm not sure that would really be very acceptable to the hospital boards throughout our province. They have ownership even though the majority of their funds comes from the provincial government. They have ownership; they have responsibility. I think we need to encourage a greater responsibility at the local level, to be autonomous and to be concerned not only about the dollars transferred to them but about the programs that are happening within their hospitals.

I certainly take issue with the lack of foresight that has been displayed by the Leader of the Opposition. If we all buried our heads in the sand to say wouldn't it be nice if we could give away more and more and not be concerned about the long-term effects to our health care system, we would be in a pretty sad state indeed.

Thank you, Mr. Chairman.

MR. BATIUK: Mr. Chairman, I would also like to express a few comments, but first of all I would like to commend the minister for his dedication and commitment to retaining the good medical care in this province. It seems that over the last almost one year, there has been quite a concern about user fees. Since I was able to go out to the different communities in my constituency and stand in the corner and defend that concept, I think there is nothing wrong with expressing my views today.

We know that our hospital costs have been increasing continuously, and no doubt — maybe I can blame myself to some extent. The Minister of Hospitals and Medical Care was the Minister of Municipal Affairs back in 1971-72, and he selected a task force to study the assistance of taxes for social services. I think there were five members on our task force. We recommended that the last dollar of hospital funding be picked up by the province. Previous to that, there was an assessment of four mills.

I have three active hospitals in the constituency. Two of them have been operating with a small surplus over a number of years. One of them for some reason or other operated on quite a sizable deficit. Last spring, when I defended user fees, it got into *The Edmonton Journal* that I was one of the Tory MLAs that backed this concept. The first thing is that the Two Hills hospital board quickly got hold of me and wondered what's going to happen to them. We sat down and looked it over. We found out that there's the active hospital, a street in between, and then the nursing home. It is managed by one hospital board, but in that area they had two kitchens, two dieticians, and two laundries — and just across the street. I suggested to them that maybe a good look should be taken at those services and whether they couldn't be clamped down a bit. This was looked at, and I'm really proud to say that for the last seven or eight months the Two Hills hospital has been operating on a small surplus. I think it's an indication that too many hospital boards just spent as long as the dollar came in. But as soon as it was announced that they will be liable for some of those expenses and will have to find their own dol-

lars . . . It was very interesting to see the minister announce recently that no hospital in this province has initiated user fees. I think this is a lesson that is going to alert everybody to the high costs of our medical care in this province.

I would also like to briefly say a few words about extra billing. As with hospital user fees or extra billing, nobody likes to pay more, including myself. When I look around the medical facilities in my constituency, there are places where there are seven or eight doctors. You come to one of their clinics and on the door he has, we extra-bill. If you don't like that, you can go to the next door where they don't extra bill. I feel that if we put a cap on what they can charge — and I'm not overly concerned about the medical staff in Vegreville, Wainwright, Vermilion, or St. Paul. It's the highly professional specialists. When this medical Mackenzie science centre was being built, there was an indication that we will get some of those specialists, highly trained medical practitioners, who have left our province and our country, to return. Just a couple of months ago I heard that one heart transplant surgeon was intending to come to Edmonton. Now you tell him that Monique's umbrella is going to be over his head, and you know what he will tell you. I don't like to pay more for my hospital care, but I think this is one way that we'll be able to retain good medical health care.

It seems that the Leader of the Opposition has to complain about everything, especially when he even mentions the income tax today. I don't like it. I'll have to pay a few dollars more. But when we saw that the income tax was reduced by 28 percent seven or eight years ago, how much we saved during that time. We're continuing to save, because our income tax in this province is far less than in any other part of the [country].

I know the hon. Leader of the Opposition stated today — and he gave examples — how good it is in Saskatchewan, the low costs. In Saskatchewan, where a new hospital is asked for, the local area or jurisdiction has to contribute 40 percent. As the minister mentioned earlier, there will be two 500-bed hospitals, one in Edmonton and one in Calgary. If they were told here in Edmonton that they will have to contribute 40 percent of that \$250 million, you know what would happen. In Saskatchewan no doubt it is so much cheaper. Their health care facilities are far fewer because people are not willing to contribute 40 percent for new hospitals.

As far as the openings, I think it's very petty to talk about the openings. I was to a sod turning ceremony in Two Hills the other day for our new hospital. After the ceremonies, there were coffee and other things served. But it was the county, the town, and the hospital board that got together because they were glad they were getting a health facility centre there. I don't think it's the Minister of Hospitals and Medical Care that sends out a case of booze or anything when there's a hospital opening.

I would like to mention one concern I have. Even though I am very happy with the hospital services we have in the constituency — during my time as an MLA I've been able to see two new hospitals, one that's been built and the other one is already committed to and started — I have a concern about the nursing home accommodations in the community of Vegreville. I have spoken to the minister a number of times, but I can well understand because of our economic conditions. This is one area where I can see a real need for more nursing home accommodation. I look at the figures I got from a status report of senior citizens that have received their home heating protection plan, and I look at the cities: city of Drumheller, 403; city of Fort McMurray, 25; city of Grande Prairie, 408; city of Leduc, 292; city of Lloydminster, 267; city of St. Albert, 322; city of Wetaskiwin, 655. These are cities. Vegreville is

a town with a population of half, and even a quarter, of some of these cities. They have a population of 614 senior citizens who received the heating, which is much higher, even two or three times higher, than comparable towns of that size. I am not looking that there is a need because of the size of the town; just that, whether fortunately or unfortunately, we have a lot of senior citizens. I think it's because of the good health care they have been receiving over the years that they're living long. As soon as the minister can see fit, economically, I urge him to take another strong look at the need for accommodation for more nursing home beds.

Thank you, Mr. Chairman.

MR. NELSON: Mr. Chairman, I too would like to make a few comments relevant to the estimates before us. First of all, I'd like to comment to the minister on the appreciation of those of us who live in Calgary, especially in northeast Calgary and some of the surrounding communities such as Airdrie, Strathmore, in through those areas, for the confidence of the people there for the money for allowing the development of a new hospital in that area of the city. When I hear some of my rural colleagues and friends talk about two and three hospitals in their constituencies and I think about the number of people they may have in their constituencies, and I look at Calgary McCall with some 80,000 people and no hospital, I get a little jealous. However, now we are on the road to see to fruition the development of a medical care facility second to none and certainly one that has been awaited with bated breath by all of us who live in that area of the city of Calgary.

I would also like to comment that I don't know a more gutsy person than the Minister of Hospitals and Medical Care. I think the minister has shown some of the finest leadership of any minister of any level of government in this country. He's taking the brunt of a lot of — I guess you might even call it abuse, or some other comments, not only from the member opposite, the leader of the propaganda party. I'm sure he's handled himself and will continue to handle himself extremely well. I guess it's difficult for some people to understand the truth of the issues of health care and, in some cases, other issues that develop in the Legislature. I know that some of the members opposite like to spend money. Every time there's an issue, we should spend more money on that issue. But I never hear where we're going to get the money to pay for those issues.

I've watched parliamentary procedures at various levels of government for a short while, and I've watched opposition parties in particular as to how they deal with issues. It's very interesting. They really don't deal with them at all. What they do is stand up and make a little bit of noise, and I guess you could debate whether they're even trying to indicate the whole story to the community and, in fact, whether the whole story is given with complete truth.

Mr. Chairman, a comment was made about the Hall report. I guess we've developed medical care in this country around that report. Maybe now is the time to question the wisdom or otherwise of the initiated report. Comments have been made about health care in Great Britain. Let's face it. Health care in Great Britain is bankrupt. Those who can now afford health care over there may receive it if they go out and pay for it themselves or through private insurance. Those in the waiting lines, of course, wait and wait and wait.

It's interesting to talk about the health care costs in Canada; interesting, again, to talk about the health care costs in Alberta when they consume some one-quarter of our budget. How would we afford to pay for the care we offer the citizens of this province without the revenues we receive from natural resources and the investment income received from the Heritage

Savings Trust Fund? We couldn't handle it. Personal income tax in this province doesn't even pay for medical care, let alone anything else.

The comments about scare tactics — well, I think the only people who are frightening anybody are the opposition, and of course the federal government by intimidation. But I will say this: our friend the minister of hospitals doesn't intimidate too easily. I certainly respect him for that, because if he were easily intimidated, as it seems members of the opposition side are, we would also be bankrupt.

I ask the question: how many people in the province of Alberta will be without health care due to financial concerns or their economic situation or their poor health, whether they're senior citizens, young children, or middle-aged people? How many people in this province will go without medical health care because of a user fee or a premium, or because they're on social assistance, they're on unemployment insurance, or possibly they have none of them and maybe not even a job? How many people? Mr. Chairman, the answer to that is none. Contrary to the thinking of these socialists across the way, every person in this province will be able to have health care given to them at a level unprecedented anywhere in North America. I ask you again: how many people will not be able to have health care? If we had a socialist government, I'll tell you that not only would they bankrupt the system; we would have no health care for our people. [interjections]

Mr. Chairman, I find the suggestion that maybe we need to collect more taxes to help us with our health care bill absolutely amazing. When we increased taxes to assist health care, human cries go out — oh, the government increased taxes. Everybody, especially on the opposite side, is opposed to increased taxes to assist in this area. But when it comes to user fees — well, maybe we shouldn't charge user fees, but let's increase taxes again. Well, well, well. Where do these guys come from? Where do they sit? Do they themselves know? Believe me, I sure don't. I'm sure that any other person listening to the complete debate would also find that they don't know where they sit.

What is more valuable to an individual than their health? I don't know of anything. Is money more valuable? Money can't buy your health. But by gosh, a good hospital with good nursing people and good doctors and good equipment provided by the hospital can sure give you good health. Let's talk a little bit about health care in our hospitals. Where else in this country will you find more dedicated people — nursing staff, auxiliary staff, and professional people, including doctors — than in our hospitals in Alberta?

I heard some comments about a week or 10 days ago about how bad things were at the Colonel Belcher hospital in Calgary. It just happened that one of my constituents, who is a friend, a senior citizen, was in Belcher hospital a week ago. I went up and visited him. It's amazing how all of a sudden the Belcher hospital is probably one of the finest facilities in Calgary according to the gentleman who was in there. I can assure you that because of his mannerisms, he would have told me otherwise if it wasn't. He was looked after magnificently by the people in that hospital — doctors, nurses, and so on.

Yes, Mr. Chairman, people are prepared to pay some amount to keep their health. I've done surveys in my constituency using the term user fee, and I guess, in the main, people are opposed to it. Interestingly though, when you sit down with a constituent for a few moments and discuss the whole issue, they seem to come around and determine that maybe it's not so bad after all. But when you go out and use this scare tactic that's coming from Ottawa and possibly from the opposition members in this House, of course you kind of rile up the troops a little bit and

give them misinformation. It certainly doesn't help in the area of trying to explain the whole issue properly.

[Mr. Appleby in the Chair]

I'd also like to ask the question, Mr. Chairman — we seem to have talked about user fees here today; the user-fee concept as proposed by the minister, allowing permissive legislation to hospital boards. I would like to know how many hospitals in the province have actually used those charges? As far as I know, there are none. My, my, my. Isn't it nice to be able to see at least the hospitals being able to control their costs. Ah, at long last. Yet there's no deterioration of hospital services to their patients. In fact it's getting better.

Then there are our Liberal — I won't even use the term friends. But there are the Liberals in Ottawa — and we don't know under which leader — who suggest that they're the defenders of health care. The only difference between them and the socialists — as a matter of fact, Mr. Chairman, I don't think there is a difference. But they sure don't know how to defend health care. They legislate but don't properly fund it. No wonder the provinces get riled up when they're legislated to do something and they've got no money to do it with.

So, Mr. Chairman, we talk about cutting here and there, adding to this and that, but somebody ends up having to pay for the thing. What about the needs of those people who don't need acute care but need an auxiliary bed? If we can reduce costs of medical care by putting people into an auxiliary care facility rather than an acute hospital, why not? The patient will be looked after just as well and at much less cost.

To bring up the issue of the Holy Cross and the northeast hospital at this time when negotiations are ongoing with the minister and those interested groups is not only premature but just outlandish. I read a suggestion from the members opposite that maybe they don't want to support a hospital in northeast Calgary. I'd like to debate that as an election issue also, because my community certainly supports the northeast hospital. If the NDP doesn't wish to have one there, that's fine. I sure do, and I'm sure members of my community do also. Let's give the minister and his department the opportunity to rationally discuss just that with those user groups and those people concerned about the Holy. They'll work out something that's going to be good for the community at large. We have to talk about the community as a whole, not necessarily one particular section. I have every confidence that the minister and his department are going to work out a circumstance in Calgary and Edmonton, and for that matter the rest of the province, for the needs of the health and welfare of all those people in each of those communities.

Let's keep our medical people in the province. Let's offer them some initiatives to ensure that we have the finest doctors and medical people available to look after our citizens. To do that, it costs money.

In conclusion, Mr. Chairman, I'm certainly glad to see that the minister has had foresight and does not have his head in the sand. The minister has offered the province and the citizens of this community and has achieved some of the finest health care anywhere in the world. Having lived overseas for some eight years and having had to be in a hospital, I can assure you that, examining our facilities and the care our citizens get, we are second to none anywhere in the world — health care that is available to all our citizens, without any hardship; dedicated people who are prepared to offer that service to all our citizens: second to none anywhere in this world. I say, Mr. Minister, keep up the good work. You have my support and, I'm sure, the support of my colleagues and of my constituents.

Thank you.

MR. LYSONS: Mr. Chairman, it's indeed a pleasure to address the Minister of Hospitals and Medical Care this afternoon. I have only a few things to say, but it will probably take me a while to say them.

One of the things that I believe is evident out in the rural areas — and if it's evident in the rural areas, it is probably as evident and needed in the urban areas — is the rationalization of the use of hospitals. We have hospitals that are relatively close together, and yet they have, as the Member for Vegreville was explaining, more than one person with the same qualifications. When they're in relatively close proximity, I think they could work together a lot better and more efficiently.

We've heard of a number of things we could do to make hospital use and health care use more efficient and have people more cost conscious. I think we have to realize that anywhere from 20 percent to 40 percent of patients in every hospital are there because of their own bad habits. Mine is smoking; others' is smoking, drinking, and all kinds of things. I see no harm whatsoever for those of us who smoke, drink, or whatever else we do that would harm ourselves, in paying for that habit, either through taxation — I suppose that would be the easiest. I don't suppose we should be looking at it on the basis of an individual, but if a person goes out and buys a package of cigarettes — I know I'd probably pay \$5 for a package of cigarettes if I couldn't find some willow leaves to roll one out of. And liquor? I think a good bottle of whiskey should cost anywhere from \$30 to \$40, and bring it back in line to where it should be. I know there are going to be some friends of mine who would be a little bit upset with that, but I think it's true. We've got to get down to basics in all our dealings.

We often hear people saying that the federal government is welshing on its payments to the provinces. I suppose to some extent that's very true. But I would like to ask our socialist friends where they are going to get the money. Federally we're in debt by \$150 billion. For my family of five — my wife and three children — my portion of the debt would work out to around \$32,500. That's debt. Now, I am getting old and am not going to be expected to pay for debts. It seems that once we get a little older, we are forgiven some of those responsibilities. We have this debt that some of us won't be paying for but our children and grandchildren will. What are they going to get out of it? Debts all have to be paid.

So we have a federal government — and what's so frightening about it is that it was an all-party agreement. When I see the two MPs that are in my constituency, I can tell you that I'm going to give them a blast about this stupid plan of making a national health care system that's doomed to failure. As has been mentioned, we have probably one of the finest health care systems in the world. We have to try to keep it, and we can't keep it as long as we keep piling debt on top of debt. There is absolutely no way we can possibly sustain that type of thing.

I would like to mention to the minister that we have had some people in our constituencies, friends we meet, and people we talk to, who a while back were so afraid of extra billing. It is interesting that not one of the very people who contacted me first, who were hospital administrators, have had to charge user fees, but they are able to start controlling some of their costs. I believe every hospital is capable, as is every one of us. I know that in my business, when the federal government brought in the national energy program and things started to die down, I had to pull in some of my spending expectations. I am sure hospitals can as well. We have to look at medical care as something we want to keep. I think the universality of medical care is something we can keep, but we have to do it

in a manner that is responsible yet correct. There are going to be some hurts.

I had an interesting meeting Sunday morning with some doctors. I thought I was going to get a blast. I didn't really know what to expect. But I can assure you that it was very nice to be able to sit down with five doctors out of six in my little hometown and talk to that many very competent medical people in a very realistic way and share some ideas back and forth. Not that many years ago there were three doctors in town, and now there are six. Babies are starting to be born in the hospital again. That was something that was sort of rare out there. Not that ladies weren't having babies; it was just that they were going somewhere else. We often neglected to mention to people the fact that the better the rural hospital and the more attractive it is to doctors, the more apt the people are to stay at home and have their operations and children there, without hauling them away to the city.

Mr. Minister, I urge you to keep a stiff upper lip, hang in, and take on the federal government in ways that perhaps we're not really accustomed to. I believe that this province and the members of this Legislature must stand up to the federal government and stand up to what we believe is right, what we know is correct: to have a health care system that we want for our citizens in this province and not have someone from the far east tell us what we want, what we need, and how we come up with our money. Mr. Minister, I congratulate you on the efforts you have made so far. Keep it up.

Thank you very much, Mr. Chairman.

MR. MARTIN: Mr. Chairman, I have been overwhelmed by the level of debate, and I will try to keep it up to the excellent level it has been at so far. [interjections] Not bad, not bad. That was a joke, by the way.

What I would like to do is look at it in terms of a philosophical level, because I think the government has brought it to that level. I hear a lot of prating about cutting costs. I would like to look at that and again give my suggestions to the minister — I know he is always glad to hear them — and then ask some specific questions as we go through.

We have heard from both the Premier and the Minister of Hospitals and Medical Care. They are the only ones who count in this debate. Mr. Chairman, you will forgive me if I do not take too seriously what the backbenchers say. But I do take seriously what the minister and the Premier say, because they seem to me to be the people who are supposedly playing hardball on the specific issues.

We heard the other day that we were in the Great Britain system. My colleague said it was a scare tactic, and the government obviously doesn't like that. Obviously the minister and the Premier know that's impossible by the whole nature of the constitutionality of our country. So that's a red herring. But if we want to play that game, I would say that the minister is enamoured with the American system, because that's the way we're going. When we start first of all with premiums, which we have — one of three provinces — when we have extra billing, and when we now bring in user fees, surely that's taking us in the direction of the American system, if we want to play that type of game rather than keep it on the level of debate. For those people, those rugged individualists, who think we should all be paying our costs, and if we all paid more, and we should look towards some of the things the Americans are doing — and I know the minister is aware of this. They have a much more serious problem with rising health care costs in the United States than we do here. And the minister is well aware that they spend much more per capita than we do.

It's very interesting. In a recent article in *Newsweek*, in a whole column on A New War on Health Costs, they say:

In the private sector, the big corporations, labour unions and insurance companies are forming coalitions — around 150 of them so far — to fight the run-away costs of medical treatment. Their targets are two: the doctors who over-charge, or who admit too many patients to a hospital for too long a stay, and the expansionist hospitals that keep on adding more beds . . .

That's private-enterprise medicine, if you like. They are realizing that they have a serious problem. Because of free-enterprise medicine, if you want to call it that — or capitalist medicine, or whatever you want — they say in the same article:

There's an oversupply of physicians in many parts of the country "and we're beginning to see [too much] competition" . . .

which is driving the price up.

So if we want to play those games, rather than at the level of debate, about user fees and the rest of it, and say that we are going to the United Kingdom, then I say this government is moving into an American system, which I might point out is in much worse trouble than the system in Great Britain. I might send the article over to the hon. member, and he would realize that.

The other issue I would like to talk about in a little more detail, though, is the whole idea of costs. How interesting, coming from this government — the government of \$10 billion, the government that has \$1.2 billion in overruns, the government of the Kananaskis parks, the government of Peter's palace in the south — that they are going to lecture local hospital boards on how to run their particular enterprises, and say, follow us; we know how to budget. I'm sorry, but that just isn't ringing true to anybody.

If we're serious about costs, we could talk about income tax. As my colleague pointed out, we've had the worst of both worlds: income tax hikes, user fees, and higher premiums. So we've had it hit three times in the last year. I've pointed out many times before that these are regressive taxes, but they're still taxes. The point we would make is that it's not just out of income tax that we've talked about it — and nobody has ever talked about a free ride. Nobody has. We all know that we pay it. But if it comes out of the general revenues of the province, it's at least based on some ability to pay. That's the point.

If we want to look at the whole taxation structure, we can begin to do that too. I notice in the recent Auditor General's report that we lost some \$162 million, mainly in royalties, because of our corporation tax. It was pointed out, and I point out to the minister if he's not aware of this, that we're the only province in Canada that has a net outflow the other way. Even P.E.I. collects \$3 million. So if we're not collecting it there, obviously it's going to put a burden on other taxpayers. The point I'm making is that it should come from the general revenues of the province. It's not either income tax or medicare; there are other alternatives. I know this minister is well aware of it, although the backbenchers probably aren't.

The point I want to make, though, is that rather than going into all the government waste here — because we've had that debate. It amazes me when we see these people stand up, such good business people that they are, and talk about costs. Where are the socialists going to get the money? We wouldn't have a \$1.2 billion overrun, we wouldn't have Kananaskis parks, and we wouldn't have a lot of the other frivolous things this government has spent money on. That's where the money will come from, Mr. Chairman.

The other point I would make is, let's look at medicare then. My colleague talked about some of the things. Let's take a look at it: We can take a serious look. Nobody is saying that we shouldn't get the best bang for the buck in any department. There are departments that I can cut back seriously. As I said in the budget, I hadn't even started and I had \$500 million off. I think if we really went to work, we could cut \$1 billion off without affecting health care, without having user fees and all the other things. So let's rid ourselves of that notion.

If you like, let's take a look at ways to cut costs just in the medicare system. First of all, we've talked about community clinics. Community clinics are more than we have in Alberta, for the Member for St. Albert's information. [interjection] It's for your information; I knew you would like it. I'm talking about community clinics. I know you're on the edge of your seat, because you want to hear this. The point we're trying to make is that community clinics involve other health professionals. One of the reasons we have a very expensive system is that we're dominated by one profession, however able they are. But there are other people who should have some feed into that system, including consumers. In health clinics that are successful, and there are many of them around in both Canada and the United States, and certainly in western Europe, they bring in other health professionals. Of course there are physicians there. There are also social workers, paramedics, nurses, and even chaplains: all sorts of people. They get into the preventative aspect of medicine which, over the long haul, saves you money.

I can use some examples. If we want to talk about where the cost is and how we're going to pay for it, community clinics was mentioned before but I bring it back again. One was set up as a pilot project in Prince Albert, Saskatchewan, for a number of years to see whether it was successful or not. I point out that in 1979, which are the figures we have, this clinic saw a total of 17,925 individual patients at a total cost of \$2 million. When we compare the same number of patients, 17,925, the total cost provincially was \$6 million. In other words, the clinic was nearly \$4 million less expensive than the hospital care. If we look into it in more detail to find out why, we see that in 1979 the average hospital utilization provincially in Saskatchewan was 2,555 hospital days used per 1,000 patients. In comparison, the use of the community health care clinic was only 837 hospital days were used for every 1,000 patients seen. That's one of the reasons they saved \$4 million. The other aspect of it is that for every 1,000 patients seen in Saskatchewan provincially, 257 of those patients were admitted. With the clinic, for every 1,000 patients only 94 needed to be admitted to the hospital. If we were serious about costs, we would at least be setting up pilot projects.

We could go on. One of the things we should be doing is taking a look at the whole aspect of ambulance care, and I've raised it as a private member's Bill. Eighteen million dollars is the initial figure. We could be doing a lot more. We wouldn't need to build a hospital in every town across the country and have 10 per cent vacancy rates. That would be another way to cut back in costs. If we wanted, we could look at the whole fee for service. I know the minister was upset, because I've read reports of the recent Toronto study of Alberta surgical rates. I know the minister knows there are some problems there. We apparently have the highest rate for surgery in the country. If we're serious about that, we'd look at the whole fee for surgery aspect. Even reading between the pages, and I know the minister agrees with this, there seem to be some problems there. But obviously we're not doing anything.

We debated about children in terms of seat-belt legislation. If we were serious, we'd screw up our political courage and

bring it in. As the minister is well aware from his other study, the hospital utilization report to the Minister of Hospitals and Medical Care, province of Alberta, it says under that one conclusion:

Analysis of Ontario's experience during the late 1970's, after compulsory seatbelt use was established there, shows an approximate 15% average reduction in deaths, injuries, expenditures for physician's fees, and time of hospitalization.

The most important thing is that it saves lives. But the second part, on the costs, even more significant from the viewpoint of this utilization study, is that the average cost of treating each typical accident victim was markedly reduced. It says that the patient not wearing a seat belt cost an average \$419 to treat and those who were using seat belts cost \$228 per patient, a saving of some 40 percent.

If we want to look at the whole problem when we have some physicians — and the minister has admitted in this House that at this point some are billing half a million dollars. He's even indicated that in the future, it might be over a million dollars. That's very costly. If we're not prepared to look at that, if we're not prepared to look at the whole aspect of preventative medicine and do more there ...

What I'm saying, Mr. Chairman, is that there are things even in health care — not talking about the waste — that we can begin to look at if we're serious in terms of saving costs, and even have a better health care system. That's the point, and that's the point people perceive before we have to start bringing in user fees and having higher medicare premiums and allowing extra billing.

The other thing is that when we're told in a time of restraint that we don't have money for so many things, and then we decide, because we're going to be the champions of free-enterprise medicine, that we're going to fight Ottawa and are prepared, because we have such strong principles on user fees, that nobody wants, and extra billing, to lose a bunch of money — millions of dollars. Nobody knows how much at this point. It ranges anywhere up to \$58 million, but it could be more if more hospitals start bringing in user fees at some point. We have no control over that. But we're prepared to fight. The Holy Grail; we're going to fight for the sacred principles of user fees. I'm telling you that if you want to fight on that issue, fine. At least admit that you do not believe in medicare and you want to fight for the holy cause of free-enterprise medicine so we can be as well cared for as they are in the United States. Say it. That's fair enough; that's a philosophical thing. But do not tell us that it's somehow for an infusion of dollars to save medicare. That just doesn't wash. The minister knows that it doesn't wash with Albertans.

The other aspect about the accessibility — I heard here in the House that it doesn't affect lower income people, that nobody suffers because you bring in user fees. I accept that user fees have not been brought in yet, but the minister is well aware that at some point they will probably have to be. Hospitals are going to be faced with a decision — they're not all such good money managers as this government that doesn't waste anything — of either cutting back on services or using user fees. We don't know when that will be, but it will come at some point. Besides that costing us more money federally, it's going to come.

What about user fees? To say that they do not affect lower income people is absolutely not the truth. Mr. Chairman, where they've had user fees, the studies are clear. I just quote a couple of them, to remind members. R. G. Beck's study of user charges in Saskatchewan in 1968 concludes:



... burden of reduced utilization fell disproportionately on the aged, large families and the poor.

Badgely and Smith, Ontario Council of Health, 1979:

... the groups who are most affected by user charges are the socially disadvantaged, the poor, and the elderly.

The Hall Commission:

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

So the rich, who can afford it, still go to doctors. But the poor, who need it, don't.

Northcott and Snider's study:

User fees in the form of direct charges to the patient limit accessibility to medical services and therefore violate the principle of universal and equal access to care.

To say that it doesn't — the evidence of every study says otherwise.

The other point I make, Mr. Chairman — and the minister hadn't even bothered to read it — is the Consumer Association of Canada Study that was just brought out on February 16. It was presented to the House of Commons standing committee. The figures about Alberta — to say people aren't affected is wrong. First of all:

Over 10 percent of low-income families and singles were extra-billed. An average of 5 percent

which costs the government its own money going out of social allowance recipients [were] extra-billed. The average dollar value per extra bill per capita of senior citizens in 1981 ...

The minister is right. The rate has gone down, but the dollars have gone up. That's what he failed to tell us in question period. It's now up to \$17.47. There, the people who tell us they want to save medicare are hurting the group that needs it most. So we certainly have a problem with accessibility.

The minister and I have talked over a children's hospital many times. We can't afford it. I hope the minister was watching television last night when a young couple whose child had to go to Toronto said, and they put it well: governments that can afford golf courses for the rich certainly should be able to afford a decent children's hospital. We've gone into all the debate, and I know the members are getting a little squirmy over there because they don't like to hear the truth. But that's what people are saying, and I think their perceptions are right. What they're saying — and they know clearly, Mr. Chairman — is that this government spends lots of money. It's where they're spending it; that's what they're questioning.

The other point I would make about ambulances — and I have some specific questions I want to ask the minister that have to do with some recent reports about the ambulance system, specifically, I believe, in the city of Edmonton. My question to the minister is: has the minister had any complaints regarding the transport of sick people from one hospital to another by cab rather than by ambulance? The second one I would like him to refer to at some point is: how much are the hospitals saving using cabs rather than ambulances to transport patients? Maybe this is one of the ways they're saving money. But when we're told by the paramedics that lives could be in danger, I question that. The minister will probably say they're not. But the paramedics, who should know, say they are. So I want to know if we're saving money that way, Mr. Chairman, and how widespread the practice is.

The other point that could be raised — and we could go into it in more detail — has to do with both the Holy Cross and the General. I know that the Holy Cross has certainly been in the news much more than the General. But in terms of even acute care, which we haven't talked about — and we certainly have a need for acute care facilities, but more for nursing care.

I am told by the people involved in it, though, that to move into huge institutions is not the way to go in terms of nursing care. I would like the minister to indicate if he's had some representation, if this is in fact the case.

The other point I make, Mr. Chairman, in terms of these hospitals — and it refers to what my colleague said a few minutes ago. I find it hard to believe that taking two hospitals, in a time of restraint — and this is the business government that knows how to really handle a buck. It doesn't ring very clearly to me that you can somehow take an old facility and add something to it or fix it up, but you can build a whole brand-new one, buy land and everything, cheaper. Again, I refer to what my colleague said. Nobody believes that. So if you don't want the credibility problem, Mr. Minister — through you, Mr. Chairman — then you'd better come back with some figures on this, because people just do not believe it. They especially might not have questioned it even during the boom times, because we didn't question those things. But certainly in a time of restraint and user fees and income tax hikes and all the rest of the things this government is doing to people, they want to know those sorts of things.

In conclusion, Mr. Chairman, I think the debate is very clear. I think the government has decided on the debate. I think they've been abandoned by their federal Conservatives, who understand and appreciate, whether for pragmatic reasons or not, that it wasn't the right issue to get into federally. But we have a government that I believe has philosophically decided to sort of nigger, if you like, at medicare. They may say that they want it as an infusion of dollars, but there are ways other than user fees to infuse dollars in it. I know the minister denies this, but when he says on one hand that we're going towards the Great Britain system but will not look seriously at cutting costs and all the types of suggestions I have given him, then I suggest frankly — and I will say it to Albertans — that we will wage that war for a different reason. It's a Holy Grail to us, for a different philosophical reason. But I think the honesty should come, that you do not believe in the medicare system and that you want to campaign and fight on that issue. That's what we will do, and we'll let the voters decide on it. But it's not washing to say you want to infuse dollars by user fees and higher medicare premiums. People in this province are much smarter than that. They know there's something wrong.

If the minister can actually go down and try all the cost-cutting things he can and there still is a problem, he can come back to this Legislature and even I, if I saw a necessity for user fees for economic reasons, would do it. But when I see nothing at all in cutting this government's own expenses generally and in terms of looking at cost-cutting measures at the health care level, then I don't think it's fair or appropriate to even suggest user fees without going the other way.

With those few enlightening comments, Mr. Chairman, I will sit down and wait with some anticipation for some answers. If there aren't some answers, I'll be up asking some more questions.

MR. SHRAKE: Mr. Chairman, I just have a couple of suggestions. Maybe we should listen to our hon. opposition and look into a few other options. Maybe we could do the one thing, ask the federal government if they will pay the same portion, percentage, of the total medical bill in this province, as they did when we started the program, and then agree: okay, fine, we will allow no extra billing; there will be no user fees. Or, the other option I hope the minister has looked at, maybe we should follow the example set by the Liberal government of the Dominion of Canada and their supporters, the NDP. We have good credit. Maybe we should go ahead and go to the

money markets in Switzerland and New York. Let's keep borrowing, and we can go a few years on that. When that runs out and we can't borrow any more, maybe we can start trying to cash in the heritage trust fund, use that up. I don't know what we'll do after that, but that will carry us for a number of years.

Or maybe we can look at some of the good NDP governments of other provinces and follow the examples they have used. We should maybe squeeze the industry with a little heavier taxes, squeeze them till maybe they leave the province. Or right before they get ready to leave, we can back up a bit. Just keep borrowing money until — as long as we can pay the interest on it, let's keep borrowing. If those options don't work, then — I used to be the chairman of the Calgary General hospital board, and I remember we went through our budget each year. We never really felt the need to hold back all that much, because we usually went on what we figured the province would give us. Or maybe the option you've given us here, that we just try to be more fiscally responsible, is the right way to go.

Mr. Chairman, I just want to make one comment to our minister, though, as far as building the two new hospitals at this time. It seems to me we did hear our opposition across the way say we should be building things when the price is low, when the people are on unemployment. They did express great concern for the unemployed of this province, and one of the worst hit is the construction industry. Of course there's no way we can build any more housing. We presently have condominiums, apartment buildings, single-family residential — you name it — sitting empty through this province from one end to the other. So of course we couldn't go into that type of program, to build more housing. For goodness' sake, I don't know what we could do about building more office buildings, because the city of Calgary has 3 million square feet of empty office space. Most of the province has some empty office space. We can't go in and start building warehousing, because there's empty warehousing. We can't get into building more shopping centres, because that's just not our line, plus there's a lot of shopping centres with empty stalls all over the province.

So I want to congratulate you on having the wisdom to go into building the one thing we will need, something we do need, and that's new hospitals, which will create jobs. We will need them sooner or later, probably within about a three-year period when these will be completed. I would be willing to bet that we will get a 20 percent reduction in cost, because there's a lot of work force out there. Yet this is going to create jobs for those stucco applicators, the dry wallers, the framers, the cribbers, the concrete people, the people who dig the foundations. There'll be some trucking hauling the gravel, hauling the concrete. So I want to congratulate you on that.

The last little comment I would like to make is that I hear the opposition is very concerned about seat belts. Perhaps if they got hold of MLA Brian Lee or somebody, he could give him some assistance. He could put forth his own Bill to introduce compulsory seat-belt legislation for everybody in the province, if he feels that strongly about it. If not, I fail to see why — somebody should explain that he too is an MLA, and he can put Bills in here if he wants to. Get right in there and put a Bill there, compulsory seat-belt legislation with a \$1,000 or \$10,000 fine if you're ever caught not wearing your seat belt. If he feels really serious, really concerned on it — in fact I'll be glad to meet with him some time and help him draft the Bill myself. But I won't vote for it.

MR. RUSSELL: Mr. Chairman, I know hon. members are anxious to adjourn on time for the Northlands dinner tonight,

so I'm only going to respond to a couple of pieces of nonsense that were put forward.

First of all, the hon. members over there don't — they have selective hearing. They don't really like to listen to some of the things we're saying. I opened my comments by praising the Canadian health care system. I never said we wanted to get out of it. I said, and I've said on other occasions in this House, how well Alberta has supported the Canadian health care system, better than any other province in Canada. I've never said we wanted to go to the U.S. system.

I am afraid, if the moves of the present federal government are followed, that we're going to end up with the chaos and the mess of the U.K. health care system. Is that what the hon. members over there want? A two-tier system? If you're a member of the masses and the public you're so concerned about, you wait nine months to see a GP; you wait five years for a gall-bladder operation. But if you're a union leader, boy, your union buys you a membership in the private system. That's where the U.K. is, and I never supported that nonsense about taking us back into there. [interjections]

I listened to the picture of Alberta these joyful little people over there have painted for us: raise taxes, no individual responsibility, no parks. We're not even going to have an opening festival for a new hospital. Nothing to celebrate joy. No parks; that's a no-no. On the one hand, the Member for Edmonton Norwood says, you'd better not tell those hospital boards — they're autonomous — how to manage their affairs, because you don't set a very good example yourself, and they're autonomous. Just earlier in the day, his colleague on the left was telling me I should put my foot down with those autonomous boards about how they decide to have their opening. I should have had the hon. Member for — where is he from? — Spirit River-Fairview ...

MR. NOTLEY: Berwyn, Dave. Remember that.

MR. RUSSELL: ... with me down in Black Diamond at the opening of the hospital there. He'd have been sick. The ladies' auxiliary was all there with their donated sandwiches, the people were there with their cheques, and the mayor had declared a civic holiday. I don't know what the population of that community is, but they had over 800 people out. But under your regime, that wouldn't be allowed because that's celebrating an opening, boy, and we're not going to have any of those kinds of occasions.

SOME HON. MEMBERS: Shame.

MR. MARTIN: People are demanding user fees.

MR. RUSSELL: The other thing is this beautiful approach these people over here have towards income tax. There's some magic taxpayer out there who's going to track and pay for these uncontrolled and unlimited escalating costs. [interjection] Come on now. Look in the Treasurer's Budget Address and you'll see that even if you count health care premiums into the taxation system Albertans pay, they're still by far the lowest taxed families in Canada. Those members know that, but they don't like to talk about that.

MR. MARTIN: The high income people are.

MR. RUSSELL: Their suggestion is that they're going to take away all responsibility, because health care is a right. Nobody worries about the cost, nobody worries about utilization, and

nobody worries about putting a price tag up. But over here there's some big money tap.

MR. MARTIN: You weren't listening, Dave.

MR. RUSSELL: It isn't the low-income people, and it isn't the middle-income people ... [interjections] You had your turn, and I listened very patiently. Would you give me the courtesy of responding?

MR. MARTIN: No.

MR. RUSSELL: Well, all right. There he is. You just said it.

MR. CHAIRMAN: The hon. Member for Edmonton Norwood ...

MR. RUSSELL: You like to abble-gabble and throw all this textbook junk out, but you sure don't like to hear the facts back. When I ask you if you'd shut up for a minute, you say no. So you've just confirmed what I've long suspected — don't confuse you with the facts. And I won't.

Thank you.

MR. NOTLEY: Mr. Chairman, there's certainly no danger of the minister confusing anyone with any facts in that speech we just heard.

SOME HON. MEMBERS: You wouldn't listen.

MR. NOTLEY: Mr. Chairman, the fact that ...

MR. HORSMAN: Mr. Chairman, I hate to interrupt the hon. Leader of the Opposition, but the time being what it is, it really has come to that time of the day when the committee should rise and report, and I move that it do so.

[Motion carried]

[Mr. Speaker in the Chair]

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

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

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, by way of information, tomorrow afternoon being private members' afternoon, that of course will take care of the afternoon; it is proposed that the House sit tomorrow evening and at that time consider in Committee of Supply the estimates of the Department of Manpower, followed by the Department of Municipal Affairs.

I move that 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.]

