

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Tuesday, October 30, 1984 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

**Bill 214**  
**An Act to Amend the**  
**Employment Standards Act**

DR. BUCK: Mr. Speaker, I beg leave to introduce Bill 214, An Act to Amend the Employment Standards Act.

The Bill prohibits any person from directly or indirectly requiring, requesting, or influencing an employee to submit to a lie detector test relating to an investigation of matters governed by the Employment Standards Act. The Bill's purpose is to protect the rights of individuals in the workplace.

[Leave granted; Bill 214 read a first time]

MR. SPEAKER: Would the Assembly agree to revert momentarily to Introduction of Visitors?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF VISITORS**

MR. HORSMAN: Mr. Speaker, I have the very great pleasure this afternoon of introducing to you, and through you to members of the Assembly, a distinguished visitor to Alberta. I would like His Excellency the Ambassador from the Netherlands, Mr. van Dijk, to rise and receive the warm welcome of the Assembly.

head: **TABLING RETURNS AND REPORTS**

MR. BRADLEY: Mr. Speaker, I would like to table with the Assembly the response to Order for a Return No. 141, relating to geological studies and appraisals with regard to the construction of the Paddle River dam.

MR. CRAWFORD: Mr. Speaker, I would like to table the 1983-84 annual report of the Public Service Employee Relations Board and to file two copies of the 1983 annual report of the Legal Aid Society of Alberta. Copies have been provided for all members.

MR. BOGLE: Mr. Speaker, I wish to table with the Legislative Assembly the annual report of the Alberta Educational Communications Corporation, commonly referred to as ACCESS, for the fiscal year ended March 31, 1984.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. JONSON: Mr. Speaker, I am very pleased today to be able to introduce to you, and through you to members of the Assembly, 42 grade 10 students from Ponoka composite high school. This field trip is part of their study of Canadian government in Social Studies 10. They are accompanied today by their teachers Mr. Dootson and Mr. Anderson, teacher's aide Mrs. Maglione, and bus driver Juanita Despiegelaere. They are seated in the members' gallery, and I ask them to stand and receive the traditional welcome of the House.

MR. SPARROW: Mr. Speaker, it is my pleasure today to introduce to you and to Members of the Legislative Assembly two groups of students from the Wetaskiwin-Leduc constituency. The first is a group of seven bright and energetic students from the Centers for Learning in Leduc. They are accompanied by their group leader Barbro Noorneby and are located in the public gallery, I ask that they rise and receive the warm welcome of this House.

Mr. Speaker, the second is a group of 30 teenagers from Calmar high school in the town of Calmar — my old high school, by the way. They are also located in the public gallery and are accompanied by their group leader Jerry Pun and by several parents. I wish they would rise and receive the warm welcome of the House.

MR. CLARK: Mr. Speaker, it gives me a great deal of pleasure today to introduce to you, and through you to members of the Assembly, a person from Alberta who really needs no great introduction, a former MP for the Palliser constituency. Stan Schumacher. Stan, would you rise and receive the welcome?

MR. McPHERSON: Mr. Speaker, it's a pleasure today for me to introduce to you, and through you to hon. members, 38 of Alberta's finest senior citizens and pioneers, from the constituency of Red Deer. They have voyaged from Red Deer in this cold weather today to witness firsthand the events of the Legislative Assembly. They are sponsored today through the auspices of the Red Deer Recreation Department and are accompanied by group co-ordinator Kathleen Jensen. Our ladies and gentlemen are seated in the public gallery, and I ask that they rise and receive the warm welcome of the Legislative Assembly.

head: **ORAL QUESTION PERIOD**

**Unemployment**

MR. MARTIN: Mr. Speaker, I'd like to direct my first question to the Minister of Manpower. The Conference Board has predicted that unemployment in Alberta will remain high at 12.7 percent, above the national average of 11.8 percent. In the press release the minister put out on October 3, he admitted that unemployment levels will remain at their current peak for some time.

My question to the minister is: other than the token responses already announced by this government, will there be any other announcements this fall to deal with the high unemployment, which is expected to go higher in the winter?

MR. ISLEY: Mr. Speaker, I would hardly call the announcement of October 3 a token announcement.

SOME HON. MEMBERS: Agreed.

MR. ISLEY: That was an additional \$250 million which, on top of the existing \$250 million, means \$0.5 billion into direct job creation and on-the-job training activities, which will impact in the neighbourhood of 80,000 Albertans over the 30-month period of the program. I suggest that is pretty significant, Mr. Speaker, especially when you consider that in addition to that the capital budget of this provincial government, which is generating 67,000 man-years of work, is by far the leading capital budget per capita in the nation.

In response to the closing question — will there be any further announcements? — I would say that we continue to assess the situation and will continue to respond as the need arises. If the hon. member has some positive suggestions for new programs, I would be pleased to hear them.

MR. MARTIN: Mr. Speaker, we have been giving positive responses over here for a year, and they haven't listened.

My question to the minister has to do with the measures already announced. The majority of the job-creation projects announced by the government are short term, lasting four to six months, one as low as six weeks. How will these temporary projects create full-time employment for Albertans or make any dent in the unemployment level this winter?

MR. ISLEY: Mr. Speaker, a key point that I believe the hon. acting Leader of the Opposition is missing in those programs is that the major thrust is to work co-operatively with the private sector. If you recognize the fact that the private sector will lead the economic recovery in this province and create the permanent, needed jobs, then it seems to me that there should be support for that concept.

I could provide some statistics for the hon. member of the socialist party. We have now completed two rounds of piloting programs, if you wish, in co-operation with the private sector, the first being the small business and farm support element of the priority employment program in the winter of 1982-83. Five months after the subsidy ran out, an analysis of the positions we subsidized during that winter revealed that 40 percent of the people that received assistance in the wintertime were still working for the same employer in a permanent position. Sixty percent of the individuals that had received assistance that winter were still working, but the balance had changed employers.

My thesis is that if you work in co-operation with the private sector, there is a chance that once the person has the experience and has proven his worth, the job turns into a continuing, ongoing, permanent job. That is much more positive than simply creating public-sector make-work projects that stop as soon as you stop paying the money.

With respect to the length of the programs, if you would read that news release on the programs a little more carefully, sir, you would find that some of them go up to as high as 12 months with respect to the subsidy component and the training component. Others have in them various incentives to encourage the employer to keep the employee for at least a 12-month period. Granted, some of them are shorter term, but that tends to be the community project type of work, which can be anything from six weeks up to 12 months, for example, under the Alberta environment employment program.

MR. MARTIN: The minister would recognize that business groups have not been overwhelmed by his announcements.

My supplementary question deals with one of the specifics, the Alberta youth employment and training program, which he talked about. The government statistics released say that that would create some 17,000 jobs. Of course that's a guess at

best. Does the government have any other plans to deal with the other two-thirds of the young people that are now unemployed in this province?

MR. ISLEY: Mr. Speaker, I might point out that the response from the private sector, the business community in this province, has been very, very positive to date. Currently we have 11,000 jobs in operation under the Alberta wage subsidy program. The feedback I've been receiving from the business community and indirectly through other members of this Legislature is that the business community is co-operating very well with the program. If you want to take comments that come out of the Toronto newspapers and say that's a negative, I'm not really going to react to it.

With respect to the last point, I'm still waiting to hear some positive suggestions.

MR. MARTIN: Mr. Speaker, I don't know which Toronto newspaper he's talking about. But I assure you, Mr. Minister, I'm trying to help and will continue in this question period.

My question has to do with another part of it. The government has laid down a three-year residency requirement as a criterion of its job creation program. On what basis did the minister determine that the unemployed are not real Albertans until they have lived in this province for three years?

MR. ISLEY: Mr. Speaker, I think the hon. acting Leader of the Opposition should realize that when you're going to commit \$0.5 billion of Alberta taxpayers' money, you have to assess where the Alberta taxpayer would like to see that investment in creating work and training activities. It was the feeling of our caucus and our cabinet that we should be putting that investment into the young people in whom we've already made a significant public investment, i.e. students who have taken training in Alberta high schools and institutions.

MR. MARTIN: A supplementary question on this matter, Mr. Speaker. Has the government assessed whether the three-year residency requirement could violate the Canadian Constitution, dealing with mobility rights?

MR. ISLEY: Mr. Speaker, that is a question I would refer to the hon. Attorney General.

MR. CRAWFORD: Mr. Speaker, I think the question is out of order.

MR. MARTIN: I'm glad we have a new Speaker of the House, the Attorney General. But the question remains. Obviously the government doesn't want to answer, because they don't know.

We'll go to the next part of it. Again, I'm just trying to help the government. Lord knows, they need lots of help. It has to do with the Alberta wage subsidy program, one of the ones the minister alluded to. One of the sentences says:

Designed to assist Alberta businesses and farms to create jobs, retain workers threatened with layoffs and provide employees with meaningful work experience ...

My question is to do with retaining workers threatened with layoffs. What criterion is the government going to use to determine whether the employer really needs that subsidy? It seems to me that leaves a huge loophole.

MR. ISLEY: Mr. Speaker, the retention component of that program is in for the winter months. It gets very, very little use during the summer months. I think I have a higher degree of confidence than the hon. Member for Edmonton Norwood

in the assessment abilities of our various training consultants and frontline people to determine the work activities of a particular company and assess whether or not there has been a downturn and that owner is forced to lay off unless they get some retention money.

What we're looking for is a situation where, for maybe two, three, four months in the wintertime, the company may be experiencing a downturn but there's a good chance it will have an upswing and increased demand for employees in the spring of at least the same level or higher. That's the type of firm we would be interested in helping in the winter months.

MR. MARTIN: Mr. Speaker, a supplementary question. It's not your confidence I'm worried about; it's the taxpayers' money. Any businessman might be tempted to take advantage by saying that they could lay off somebody, and how would the government know about it? What safeguards are in place to ensure that employers are not abusing this system — at least the possibility of abuse?

MR. ISLEY: Mr. Speaker, I have survived life to this point on the philosophy that the vast majority of Albertans are honest, straightforward citizens, and I haven't been disappointed yet.

As I mentioned in response to an earlier question, we have been in the retention and job creation activities with the private sector for quite some time now. Through our monitoring process, we have discovered very few cases of abuse. I would say that most of the cases of abuse we have unearthed are because someone didn't read the guidelines carefully enough and inadvertently did something that was wrong, as opposed to deliberately going out to rip off the public purse.

MR. MARTIN: A supplementary question to the minister. It's nice that everybody is honest and everything else, and we all appreciate that. But it's taxpayers' money we're talking about.

SOME HON. MEMBERS: Question.

MR. MARTIN: You'll get a chance to ask a question.

My specific question is this: what guidelines are in place on this program to make sure it's not being abused? Is there a list of sentences or guidelines that would make clear to a person whether or not they qualify?

MR. ISLEY: Mr. Speaker, the hon. member who is raising the question has all of the guidelines. I personally mailed them to his office, as I did to every other legislative office in this building.

If the question has to do with the monitoring or auditing process over and above the guidelines once the program is approved, maybe he should address it in that direction.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The hon. minister indicated via the press release, and also verified today, that 80,000 persons in Alberta would benefit from the new announcement of \$250 million. On a recent media program, the minister also indicated that unemployment would increase in Alberta from the present 150,000 to 160,000 to 165,000 persons next spring. I'd like to know from the minister what kind of changes are going to occur in the Alberta economy to bring about that drastic unemployment between now and next spring. The change is in terms of 95,000 Albertans.

MR. SPEAKER: I have a little difficulty with the hon. leader of the Independents' question, because it seems to me he's asking the minister to make an assessment of the economy. It

would seem to me that each member in the House would be entitled to make his own.

MR. R. SPEAKER: Mr. Speaker, a supplementary for clarification. Could the hon. minister verify those statistics being used by the minister as the number of persons who will face changes in jobs, or certainly unemployment, between now and next spring?

MR. ISLEY: Mr. Speaker, I don't recall ever trying, in or outside the House, to put a number on the people that could be unemployed by next spring. I have made the statement that I expect Alberta's unemployment rate to move up this winter from where it currently is. That's been an historical pattern because of the nature of the jobs in this province. I hesitate to try to put a finite number on the people who would be unemployed in any month. As I've pointed out a number of times in this House, that depends on various other factors. Is your population going up or down? Is the participation rate of Albertans in the work force increasing or decreasing?

MR. MARTIN: They're all going down.

MR. ISLEY: If you want to play number games, I suggest you find a different playmate.

MR. R. SPEAKER: Mr. Speaker, to the hon. minister. We're talking about the lives of 90,000 people. The minister is telling us that 80,000 will secure employment through his programs. The second part is that — and I disagree with the hon. minister's statement.

SOME HON. MEMBERS: Question.

MR. R. SPEAKER: The minister has made a public statement that there would be 160,000 people unemployed next spring. Could the minister indicate why he is denying that statement at the present time and whether he or his department has any kind of projection that could verify the type of unemployment we will be faced with next spring, 1985?

MR. ISLEY: Mr. Speaker, I have no idea where the hon. leader of the Independents is getting his figures. I repeat that it would not surprise me to see an upswing of the unemployment rate during the winter months. That's historical in the Alberta winter for the Alberta work force.

As the hon. member mentioned, the programs we have announced plus the ones we have in place will assist in the neighbourhood of 80,000 Albertans in gaining a job, some work experience if they're new to the work force, or a training opportunity. I've already mentioned the capital works budget, which is providing a substantive additional number of jobs. I also suggest that the Alberta economy still has more employment opportunities per capita than any economy in North America, Mr. Speaker. I have to leave it with the question, how many actual jobs can our population generate?

MR. SPEAKER: I wonder if this might be the last supplementary by the hon. Member for Edmonton Norwood. We've had seven supplementaries by the hon. member, two by the hon. leader of the Independents, and there's another one coming from the hon. Member for Clover Bar.

MR. MARTIN: A supplementary question to the minister. It has to do with clarification of a public statement. The minister said he'd be comfortable with around 6 percent unemployment.

What is government policy now about a healthy rate of unemployment?

MR. ISLEY: Mr. Speaker, on the evening of October 18 and on the morning of October 19, I dealt rather extensively with that question and the position of the government on unemployment, to a small class. Unfortunately the two Independents were absent for both those lessons. I ask that the hon. acting Leader of the Opposition go back and read *Hansard*. Maybe his reading ability is better than his listening ability, and he will understand what I said.

DR. BUCK: Mr. Speaker, to the hon. minister. The first thing I would like to say to the hon. House leader is that he should tell his colleague that it is never enhancing to be a smart aleck in the House, especially when you're spending taxpayers' money. [interjections]

MR. SPEAKER: Order please.

DR. BUCK: In the minister's and the department's monitoring of this new job creation program, is there any way he can tell that these are going to be completely new jobs — and I know he did touch upon that — or any way of discerning which are jobs that would carry on because there is assistance from the government? How many of these are new jobs that the minister is proposing with his program?

MR. ISLEY: Mr. Speaker, the thrust of the Alberta youth employment and training program is to create new jobs. A check of the guidelines will reveal that these positions must be over and above the number of employees normally carried by that employer, and they can in no way interfere with the working conditions of existing employees. We're not setting an environment where the employer can create a new job by turning other jobs into part-time.

Under the Alberta wage subsidy program during the summer months, the percentage of new to retained jobs was a little over 98 percent new and a little less than 2 percent retained. Under that program we do allow some job retention during the winter months.

MR. PAPROSKI: Mr. Speaker, a supplementary. Could the Minister of Manpower advise this House what impact the corporate tax reduction regarding manufacturing and processing has had on the employment scene either presently or what he believes will happen to that program with respect to employment in the next few months?

MR. SPEAKER: With great respect to the hon. member, I think we're getting into the area of speculation. Perhaps we might now go to the second question, unless the hon. member has some way of rephrasing that question.

MR. PAPROSKI: Mr. Speaker, the tax reduction program introduced recently should have a direct impact on employment. Could the minister indicate whether his office has received any information about whether this tax reduction would indeed create jobs or is creating jobs right now?

MR. ISLEY: Mr. Speaker, I have no factual assessment of that announcement at this point in time. My suggestion is that it certainly is a positive out there that hopefully will create a number of new jobs in the private sector.

DR. BUCK: Are you finished supplementaries?

MR. SPEAKER: I think we should go on. We have spent well over a third of the question period on this one mini-debate.

### **Sour Gas Health Effects**

MR. MARTIN: Mr. Speaker, I'd like to direct my second question to the Minister of the Environment. It has to do with the report yesterday of the Twin Butte Soils and Water Evaluation Task Force. My first question to the minister: is it the government's intention to act immediately on recommendation four, that detailed groundwater and soil studies should be done before approval of any new sour gas plants?

MR. BRADLEY: Mr. Speaker, with regard to the report of the Twin Butte task force, the department will be reviewing recommendations the task force has provided us. I should say that the task force should be commended for its work. It has come up with some excellent conclusions and recommendations.

With regard to the specific raised by the Member for Edmonton Norwood, the department will be including the requirement of hydrogeological and geological testing in their licensing procedure.

MR. MARTIN: A supplementary question to the minister. As the report makes clear, flaring is a particular problem with sour gas plants. Are there any plans in place to insist, as recommended, that not only should analysis of ambient air be made for sulphur dioxide and hydrogen sulphide but that stack flaring in particular should be analyzed too?

MR. BRADLEY: Mr. Speaker, as I have indicated, the recommendations of the task force are under review. The specifics with regard to the question of flares will be referred to the Energy Resources Conservation Board, to whose area that specific item relates. They will be following up on it.

MR. MARTIN: A supplementary question to the minister. Given the very recent Claresholm sour gas blowout, does the government now have in place any plans for a provincewide public inquiry into the sour gas industry?

MR. BRADLEY: Mr. Speaker, I think the government has responded on a number of occasions with regard to specific concerns relating to specific projects. The Twin Butte Soils and Water Evaluation Task Force is one such response. Both the acid deposition research program, which will be doing extensive research with regard to both biophysical and human health research, and the medical diagnostic review, which is under way in the Twin Butte area, are responses of the government with regard to concerns expressed about sour gas processing in the province.

With regard to the specific, I don't believe any further action is required at this point in time.

MR. MARTIN: I'm saying that rather than responding, we could be looking into it.

A supplementary question to the minister, Mr. Speaker. It is my understanding that the city of Calgary has asked the ERCB for concrete proof of safety for a sour gas well which I believe Canadian Occidental Ltd. wishes to drill 900 metres from the Calgary city limits. Given the fact that very little is known of the health effects of hydrogen sulphide, does the government have any proposal for any sort of provincewide inquiry they could come back to the citizens of Calgary with to ensure that they are safe? That's what they're asking for.

MR. BRADLEY: Mr. Speaker, I refute the suggestion that there's not a lot known about hydrogen sulphide. There is quite a bit known about hydrogen sulphide. I've indicated the fact that the province and industry are engaged in an acid deposition research program, and one component of that is a medical diagnostic review of specific concerns in the Twin Butte area. The matter of an application before the Energy Resources Conservation Board is one the board itself will be dealing with in due course. If there is information that individuals wish to present on that specific application, they should do so at the Energy Resources Conservation Board hearing.

MR. MARTIN: A supplementary question, Mr. Speaker.

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

MR. MARTIN: As the minister is well aware, there is a fair amount of concern especially with certain segments of the population, pregnant women and older people. It's not quite as clear as the minister indicates.

My last question is: can the minister confirm reports that the emission control order issued against Premier Resources for a gas plant near Killam, I believe in mid-September, was the result of a random, almost lucky discovery by a Department of the Environment technician, as opposed to a continuing program of full-time monitoring of that plant?

MR. BRADLEY: Mr. Speaker, I believe the monitoring program that was undertaken in that specific case was a question of mobile monitoring. The department had investigated and had been out with their mobile monitors on previous occasions. At the point in time this specific investigation was under way, further evidence was found that there was a problem there that hadn't been found in the past. If the member is suggesting that there be a full-time monitoring program on every facility in the province, that would be impossible for the department to conduct. But it does prove that the mobile monitoring which the department does put in place is effective.

#### **Water Management — Oldman River**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of the Environment as well. It's with regard to the dam on the Oldman. Could the minister indicate whether or not negotiations with the landowners in that area of Three Rivers have started at this time?

MR. BRADLEY: Mr. Speaker, I'm not sure whether I should be responding to this specific question. The responsibility for acquisition of land is with the Department of Public Works, Supply and Services.

I could answer the question this way: prior to any extensive acquisition of land, a number of engineering studies that will determine the exact extent of land that will be required for the reservoir are required to be done. I have been involved in public meetings in the constituency, in which landowners were informed that if, because of their own circumstances, they wished to enter negotiations for purchase of their property at this point in time, such an undertaking would be taken by the department responsible for the land acquisition. I believe a number of individuals in that area have in fact contacted the Department of Public Works, Supply and Services, and such negotiations have been initiated in some instances.

MR. R. SPEAKER: Mr. Speaker, I would like to redirect that question to the minister of public works for a response.

MR. CHAMBERS: Mr. Speaker, I don't know that I could really add anything further to what my colleague just said. I think he has really stated where the issue is at.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister of public works indicate what the guidelines will be with regard to purchase of land at the Three Rivers site? Will the guidelines change specifically for that site, or will there be a standard set of guidelines traditionally used in the negotiation process?

MR. CHAMBERS: Mr. Speaker, I'm in the process of meeting with my department people on that subject, so I think it would be premature for me to elaborate on that today. I'll take the question as notice and be happy to advise the leader of the Independents.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether negotiations with the landowners in the area will take place between government agents and the landowners, or will a private firm be asked to negotiate with the respective landowners for the government?

MR. CHAMBERS: Again, Mr. Speaker, that would be part of the ongoing considerations that are taking place right now. When that is finalized, I'd be happy to advise.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister take under consideration the possibility of reporting back next week on those questions, as to an update of where we are?

MR. CHAMBERS: Mr. Speaker, I'd be pleased to report back as soon as I can.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of the Environment. Could the minister indicate the present status with regard to the Peigan Reserve submission, as well as their involvement with regard to the plan for the Three Rivers site? Are any negotiations or discussions going on at the present time, or are those negotiations concluded?

MR. BRADLEY: To respond, Mr. Speaker, at this point in time there have been no further communications to me by the Peigan Indians with regard to a proposal by them.

#### **Agricultural Assistance**

DR. ELLIOTT: Mr. Speaker, my question is directed to the Minister of Agriculture. I want to make reference to the continued deterioration of our harvest weather throughout most of Alberta, particularly in the northwestern area. In view of this, will the minister consider speeding up the process of paying adjustments or advances to producers now experiencing very difficult times, with their crops still under the snow?

MR. FJORDBOTTEN: Mr. Speaker, I believe the hon. member is referring to the about 25 percent of the crop that's under snow in the northern part of the province. Yes, we certainly will do all we can to speed up the process to be helpful to our producers. I'm sure there is a considerable amount of concern when they have their crops under snow. We're still hopeful we're going to have good weather. Grey Cup is coming, and there might still be a chance to get the crop off. However, we would certainly look at the adjustments being made quickly.

In addition to that, I believe the process would be to assess the farmer's yield as far as possible and then estimate the number of acres under snow. The farmer would then receive an advance payment. In the spring, if the advance payment exceeded what he actually should have been paid, he wouldn't have to repay it. But if he didn't receive enough in the advance payment, then the corporation would make up the difference.

So not only can I assure the member that we will move with all due speed but we will move with all due flexibility to make sure the concerns of our farmers are taken into full consideration.

DR. BUCK: Mr. Speaker, a supplementary question. In light of the fact that a recent report indicated that farming income will be down as much 13.5 percent this fiscal year, is the minister in a position to indicate what contingency plans are in place to help certain segments of the farming industry? In light of this cash downturn, some people may not be able to buy certain things such as fertilizer and fuel in order to put in their crop in the spring. Are there any contingency plans in place to look toward this future?

MR. FJORDBOTTEN: Mr. Speaker, the Member for Clover Bar raises a concern that's been raised by a number of people. They're concerned that come spring, their cash-flow situation may be such that they would have difficulty in putting in the crop.

Through the modifications we made to the programs through the Ag Development Corporation, we have provided guarantees that should be helpful to them in that concern. In addition, we have made representation to the federal government with respect to the cash advance system that operates. It may be that some modifications could be made so the cash advances would be available earlier in the spring to provide that cash. In addition to that, I believe the November ministers' meeting in Toronto will address a number of those concerns. It's a concern of all ministers right across the country. The cash flow, cash/cost squeeze of our producers is certainly a concern, and we have to do all we can to try to meet that challenge, and meet it working together.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Agriculture in terms of the comment on advance payment, which is based on a maximum of 25 percent of the gross coverage of insurance for the farmer. Is there any consideration by the minister of changing that maximum level of 25 percent to a higher percentage, in light of the fact that a number of those farmers in northern Alberta are faced with some very extensive operating bills that they have to pay at the moment?

MR. FJORDBOTTEN: Mr. Speaker, the cash advance program is under the federal government, and the Canadian Wheat Board has some involvement in that. We have made representation on the cash advance.

With respect to crop insurance, I've asked the Hail and Crop Insurance Corporation to advise what we might be able to do, within reason, that would be helpful to those producers come spring.

MR. HYLAND: Mr. Speaker, a supplementary question. I wonder if the Minister of Agriculture could inform the House if any action has been taken or thought of on the problem that also exists in southern Alberta. I don't know exactly what the percentage is, but probably 20 percent of the sugar beets are still in the ground. They're a very high-cost item per acre to

produce. I wonder if there's any consideration of assisting those farmers.

MR. FJORDBOTTEN: Mr. Speaker, I believe about 75 percent of the sugar beets are now harvested. Normally they wouldn't be off at this time of the year at any rate. Under hail and crop insurance, they are only covered for hail; they are not covered under crop insurance, just the hail portion. So I don't believe any further consideration would be given this year. Indications are that they will get all of their crop in.

I might advise the hon. member that I have been working with the federal government in trying to extend the program to include insurance as well as hail coverage for sugar beets for the 1984-85 crop year. However, whether that will come or not will be pending approval from the federal government.

### Unsafe Vehicles

DR. BUCK: Mr. Speaker, my question to the hon. Solicitor General has to do with automobile and highway safety. We're well aware that many people are killed in vehicle accidents because of drunken driving. The concern I have is what steps are being taken by the Solicitor General's department to ensure that cars that have been written off by an insurance company and are getting back on the road by so-called backyard or curbside mechanics — these cars are getting back on the road. What monitoring is being done by the department to try to minimize this?

DR. REID: Mr. Speaker, the hon. Minister of Transportation and I met with the Automotive Retailers' Association some weeks ago. They presented a brief with some examples of the problems that can exist from the backyard repairers the hon. Member for Clover Bar mentioned. At that meeting we indicated to the Automotive Retailers' Association that we would take the information they had given to us and review it with regard to the problem. The interest in having vehicles on the highway as safe as possible is of course a universal one for everybody who drives down the highway.

There are several possible measures we may take, and this is not a definite answer at this time. In the event that the insurance industry finds they can notify the motor vehicles department of the vehicles which are written off, we can then program the computer so that any purchaser of a vehicle with that vehicle identification number will subsequently be notified that it has previously been written off. The problem of inspection of those vehicles will come under the jurisdiction of the Minister of Transportation, and I don't know if he wishes to supplement my answer. The capability is within the new computer to identify those vehicles and notify a subsequent purchaser who attempts to reregister that vehicle.

MR. M. MOORE: Mr. Speaker, we've already been able to ascertain that it is indeed possible, if we desire to, to carry out the necessary inspection of vehicles which have been written off by the insurance industry if there's a practical way to provide that information to us that doesn't result in a dramatic slowdown of the normal applications for licence plates that people go to the licensing office for.

DR. BUCK: Mr. Speaker, to the Solicitor General. In light of the fact that no definite action is being taken at this time, is the minister or the department giving any consideration to stepping up on-the-spot safety checks on our highways? Is there any thought of that happening at this time?

DR. REID: Mr. Speaker, it's not a matter that no action is being taken. Discussions have been initiated to have a review of what can be done in relation to this particular problem.

In relation to general safety checks on the highway, the police are quite entitled to check the safety of any vehicle at Check Stops and on other occasions. If there's a headlight not working or anything like that at a Check Stop, they can notify the driver and operator of the vehicle that they should get it repaired. Any peace officer who sees a vehicle with poor steering or indications of mechanical defects at any time is quite empowered to instruct the operator of the vehicle to have it put in a safe condition.

DR. BUCK: Mr. Speaker, a supplementary to the minister. Is any consideration being given to the Highway Patrol division force under the Solicitor General's department being enlarged to have them have the responsibility of doing vehicle checks rather than the RCMP, who would be doing other checks?

DR. REID: The difficulty is with personnel and jurisdiction. As the member knows, the Highway Patrol is more associated with the enforcement of the regulations for trucking within the province, making sure that trucks are adequately equipped and are safe, and also to avoid overloads that may damage the investment in the provincial highway system. Were we to give them the additional responsibility for automobiles and light trucks, it might well be that they would not have enough time to devote to their other responsibilities.

MR. PAPROSKI: A supplementary question, Mr. Speaker. Just for clarification, is the Solicitor General saying that his department is seriously considering deregistering cars or vehicles that have been written off?

DR. REID: For clarification, Mr. Speaker, in the event that the insurance industry can develop some system of notification — of course, it would have to be 100 percent — of vehicles that have been written off, the computer system has the capability to put those vehicle identification numbers in a side list. Any future attempt to register and obtain a licence plate for that vehicle would trigger the response that this vehicle has in the past been written off because of damage.

MR. PAPROSKI: Just a further quick supplementary with respect to a time frame, Mr. Speaker. Could the minister advise the House whether this communication is readily occurring? Are we looking at months to do this, or are we saying that some decision might be made shortly?

DR. REID: Mr. Speaker, we will have the capabilities as soon as we have all the private issuing offices hooked up to the computer; then any insurance office around the province could put the information into the system.

MR. SZWENDER: Further supplementary, Mr. Speaker, to the Solicitor General or the Minister of Consumer and Corporate Affairs. Could either minister advise whether any consideration has been given to requiring used car dealerships to list the amount of damage done to cars they are selling?

DR. REID: No, Mr. Speaker. There is one difficulty with a vehicle that is not written off. Relatively minor damage, from a dollar value, may affect the safety of the vehicle. On the other hand, considerable damage can be done to sheet metal work, which can be extremely expensive to repair, without having any effect on the operational safety of the vehicle. To

cover all the eventualities, we would have to have a very complex system, and it may not achieve the end that everyone is interested in.

#### **Armed Forces Training Grounds**

MR. ALGER: Mr. Speaker, my question today is to the Minister of Federal and Intergovernmental Affairs. For some time now the Department of National Defence has been negotiating with the Nelson Ranch, situated in the Highwood, to purchase for a training area their deeded land as well as Crown land that's adjacent to it. I wonder if the minister would describe to the Legislature at what state, or what level or status, these negotiations are at the present time.

MR. HORSMAN: Mr. Speaker, the hon. member will recall that I dealt with that matter rather briefly earlier in the session. At this stage I could advise him and members of the Assembly that negotiations have not proceeded further.

I could add some clarification, perhaps. The government has been considering the various reviews that have been undertaken by the Department of National Defence with respect to environmental concerns, matters relating to the location of the proposed training facility adjacent to Kananaskis Country, and the concerns expressed by neighbours and those involved in activities related to fish and game associations. In order to agree to any change of use of the grazing lease, the government of Alberta would have to become involved with a direct change of use agreement. At this stage that has not been agreed to by the government.

I could also add that since the matter was last raised in the Assembly, there have been discussions with members of the federal government. Through departmental officials. I have indicated that I would be prepared to meet with the Minister of National Defence either here in Alberta when he is here or during the time I will be in Ottawa, in mid-November.

MR. ALGER: A supplementary, Mr. Speaker. Assuming the controversies over these negotiations are strong enough, is the minister in a position to suggest other areas in the proximity of Calgary where the army could establish a new training ground?

MR. HORSMAN: Mr. Speaker, I don't know quite how to base an answer on an assumption. But let me try to indicate that the government has been anxious and willing to work with the Department of National Defence to identify alternative sites that might be considered by the Department of National Defence so that they can find an appropriate training facility adjacent to Calgary for the Armed Forces.

I should point out that the government of Alberta is well aware of the fact that the Department of National Defence in Calgary — and for the benefit of adjacent communities as well — spends well in excess of \$100 million a year in that area. Therefore that has a very marked economic impact on the whole Calgary region.

#### **Rental Security Deposits**

MR. McPHERSON: Mr. Speaker, my question today is to the Minister of Consumer and Corporate Affairs. I wonder if the minister could advise what assessment is being undertaken with respect to renters forgoing damage deposits in the event of a receivership or foreclosure action by a landlord.

MRS. OSTERMAN: In response to the question, Mr. Speaker. I'm not sure whether the hon. member is aware of the case

that was just recently heard by the courts. A decision is pending in mid-November, I believe. With respect to the provisions in the Landlord and Tenant Act, the department has a view that the receiver is indeed responsible for the damage deposit. It would be inappropriate for me to comment further, pending the decision that we expect in mid-November.

MR. McPHERSON: A supplementary, Mr. Speaker. Is the minister considering any specific action to remedy the problem for renters prior to the determination of the courts?

MRS. OSTERMAN: No, Mr. Speaker. It's fair to say that we have a number of recommendations under consideration at this time, pending a decision being rendered.

The member may well be aware that there are two sides to this question. I'm presently being inundated by information from landlords who believe that some provision should be made with respect to tenants in a situation where a damage deposit isn't required and there is a great deal of damage done. They're not able to get those damages back. So we certainly do have a change in the situation from previous circumstances, where tenants, for the most part, seemed to be the ones that were the victims, if you will, in the case where the damage deposits weren't readily available.

MR. McPHERSON: A supplementary, Mr. Speaker. I guess the point I'm trying to make to the minister is one of balance. I note that vacancy rates in Calgary have gone from 1.1 percent in October 1983 to 13.8 percent in April 1984. During that same period of time, Edmonton's vacancy rate went from 9.9 percent to 11.4 percent. Is the minister giving any consideration to the Ontario scenario, which is a last-month payment in lieu of a damage deposit, or the possibility of a private insurance scenario where renters would purchase individual insurance for this situation?

MRS. OSTERMAN: Mr. Speaker, the two areas the hon. member mentioned are certainly part of the review process we're looking into. The difficulty of comparing straight across, if you will, the provisions in the Alberta Landlord and Tenant Act and legislation in other areas is that a number of jurisdictions already have in place either rent review or rental control boards. So they have a bureaucracy, if you will, that can get into a number of other areas without too much increase, with respect to this particular situation.

While it's fair to say that we have a number of recommendations under review, for the benefit of the hon. member, there isn't any thought at this point in time of bringing something forward without the benefit of the court having rendered a decision.

MR. SPEAKER: We have exceeded the time for the question period. Perhaps we could come back to this topic tomorrow. However, the hon. Member for Lethbridge West already stood and, if the House agrees, perhaps we could deal with his supplementary before going to Orders of the Day.

HON. MEMBERS: Agreed.

MR. GOGO: Thank you, Mr. Speaker. A supplementary to the hon. minister. In view of the fact that the role of the department is primarily to protect the consumer, is one of the options the minister is considering the establishment of a mandatory trust fund for damage deposits now in the hands of landlords?

MRS. OSTERMAN: No, Mr. Speaker.

## ORDERS OF THE DAY

MR. HORSMAN: Mr. Speaker, I move that the motions for returns on the Order Paper today stand and retain their places.

[Motion carried]

## head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

206. Moved by Mrs. Cripps:

Be it resolved that the Assembly urge the government to encourage private pension plans to reduce vesting requirements, optimize portability, provide survivor benefits, and promote individual responsibility for retirement planning and initiative.

[Adjourned debate April 10: Mr. Musgreave]

MR. DROBOT: I would like to congratulate the Member for Drayton Valley on her timely motion. The issue of private pension reform becomes more important as our population ages. In half a century's time, the percentage of pensioners in relation to workers will double. There are now roughly six workers for every person over age 65. This growing pension burden could have a great impact on future Canadian society. Answers to this problem will have to be found in public and private pension reform. Government will continue to play a key role in seeing that at least a minimum standard of living is achieved for all retired citizens. In fact I think we can agree that public pension benefits and income supplements need to be enriched for the elderly poor, specifically the widowed and the single elderly.

However, the resolution before us asks us to encourage the private pension system. Mr. Speaker, I think this is a good motion, because it urges individuals to take responsibility for their own future security. Currently in Alberta, only about 36 percent of the total labour force is covered by private pension plans. There is room for a lot of growth in the private pension system.

A problem with pensions is that they must make an educated guess about what the future holds. What will inflation be? What will the standard of living be? What level of support will the government provide? And will the pension benefits be too little? The answers to these questions are never easy; therefore the answers to pension reform are never easy. The system must encourage flexibility as well as security. Pension system reform must take into account the costs to an employer. For instance, indexing pensions to inflation could be a very expensive proposition. So while we encourage private pensions, let's not make rash and dramatic changes without careful study.

Having said that, there is a lot of room and a lot of ways we can improve the private pension system. The recommendations of the pension benefits branch of the Department of Labour have been brought up in this Assembly several times. Some of the recommendations include vesting and locking in, minimum standards of employer input, interest paid on contributions, portability, disclosure of rights and benefits, survivor benefits, membership, and nonmandatory inflation protection. There seems to be a fair amount of agreement on these recommendations, Mr. Speaker.

Most speakers to this motion have agreed in part with these suggestions. I would like to emphasize a couple of issues con-

cerning these recommendations. First, I think the minimum standard for full vesting of private pensions should be shortened. Ten years of employment or age 45 is not a realistic standard anymore. The workplace is a much more mobile place than it used to be. Secondly, portability must be encouraged. I support any vehicle that allows accrued benefits to follow an employee from job to job. I also agree that automatic indexing to inflation is too expensive and should be left as a voluntary decision.

One area that is very seriously lacking is survivor benefits. Mr. Speaker, only about 25 percent of private pensions outside the public sector have provisions for survivors. Four-fifths of all men will die before their spouses; meanwhile the pension benefits are lost. I think a 60 percent joint survivor pension should be the norm, not the exception. Unless both spouses sign a waiver, all private pensions should be joint. Unfortunately this is not currently the case.

One other area for improvement could be to standardize private pension requirements across Canada. That way, a mobile worker knows where he stands in the future. I realize the hon. Minister of Labour has gone to many conferences and done a lot of work toward private pension reform. I congratulate him and urge his continued efforts.

Thank you.

MRS. KOPER: Mr. Speaker, I too wish to commend the hon. Member for Drayton Valley for bringing forth this motion this time, as well as the hon. members for Red Deer and Calgary Mountain View and the previous speaker from St. Paul.

I feel that this is a very important issue and one that is actually quite magnificent. Pension reform reminds one of a great glacier — on the move but never going fast enough to get anywhere. I think it all started in 1975, when our federal government felt that a far-reaching study of all pensions in Canada should be done. A meeting was promptly called for April 27, 1979. At that meeting they said that reform is urgent, our population is growing older, the aging population adds real urgency to this task, and so on. A committee was set up and a proposal was made. I guess it isn't every day that you find a federal/provincial conference piled on top of a Commons committee study paper, on top of a green paper, on top of a special national conference, on top of a task force report, and so on and so on. In other words, I feel that we have almost reviewed pension to death. After this eight-year rush of activity, I think it's important that we settle down now to do something about the problem.

In the previous debate in our House, two priorities with regard to pensions were mentioned by the hon. Member for Red Deer. The first priority was with respect to active participation in the field of pension involvement in order to alleviate poverty amongst the aged. I think that is still a first priority. But we must also consider the second priority: to ensure that Albertans appropriately allocate their incomes between their working and retired years in order that they do not become dependants of the state in their futures.

Mr. Speaker, to that extent the paper on improving the effectiveness of the private pension plan system in Alberta was issued and already referred to by the hon. Member for St. Paul. The paper served to stimulate debate. It provided a lot of basic information about our present system. It pointed out strengths and weaknesses of the present system. It identified issues which should be addressed at this time, and it outlined policy recommendations. Comments have been coming in from Albertans. Indeed we have a great background of knowledge.

The proposed changes to the private pension plan system are based on several principles I think we should not overlook

in our discussions. The first one was that individual retirement planning and initiative is required to assure income replacement above the assured minimum levels provided by the Canada Pension Plan and the general income supplement. I think that's vital. We must be looking at individual responsibility.

The second principle was that the current mix of private pension plans and individual savings arrangements should continue to recognize the value of freedom of choice and flexibility. One should have options. In my own case, I recall having the option to withdraw the money that I as a young teacher initially put into a pension plan, when I felt that a washing machine was more important than a pension plan. I'll come back to that issue later.

Third, the private pension plan system should be improved to ensure that it adapts to changing social circumstances, particularly with regard to women. Pension benefits should be considered as family assets, in order that a spouse is entitled to a portion of these benefits on the death of an employee or a marriage breakdown. This is a phenomenon in our society we can no longer overlook, Mr. Speaker.

Another principle was that individuals should assume greater responsibility for their own retirement and not put a burden on taxpayers. A fifth point was that the private pension plan system should be equitable and effective in the provision of retirement income. Also, the proposed changes must be affordable and reasonable today and in the future.

With these in mind, I think we can look at what is available now. Of course we have the old age security program, the guaranteed income supplement, the spousal allowance, the Alberta assured income plan, and the widows' pension plan. We also have private employment-related income sources, private pension plans, registered retirement savings plans, profit sharing plans and, of course, personal savings. In addition, seniors have their health care insurance. Blue Cross, and extended health care benefits, and programs such as the home care program, nursing homes, renters' assistance for mobile homes, property tax reductions, and property tax rebates. So there is considerable in place.

However, when we are looking at the suggested moves for pension plan reform — besides the issues mentioned by the hon. Member for St. Paul such as eligibility, vesting, locking in, portability, and accessibility — I think we have to focus on one area of real need; that is, women and pensions. When we look at the problem of pensions for women, we acknowledge that those with low pay will be those with small pensions. I think we are all aware that pension reform by itself is not going to change that fact. There are obvious things when we try to remove the serious biases that determine a woman's choice of work. But I guess that is another question and would mean another debate.

When we look at pension reform right now, women over 65 who are living alone are very likely to be living in poverty. It appears they are victims of a society that once said a woman's place is in the home. They believed they could rear their children and depend totally upon their husbands to look after their financial needs. These are women who have now outlived their husbands, are perhaps divorced, receive no pension credits and no survivor's benefits, and must live sometimes on less than \$7,000 a year.

About 94 percent of all women marry, about 80 percent of all women have children, and many continue to believe in the absolute security of marriage — all this at a time when marriage is becoming more and more of an unstable venture. Four out of 10 marriages now appear to end in divorce, and 68 percent of all women live their lives alone. Lifetime homemakers are really guaranteed nothing but old age security, the guaranteed

income supplement and, if they are lucky enough to live in Alberta, other benefits.

Mr. Speaker, when all of this is considered, I believe women face a particularly difficult problem in their retirement. There are things that have been suggested and could be looked at. For instance, could the spouse's allowance program be extended? Could there be some method of credit splitting on retirement and marriage breakdown? Could there be improved survivor benefits? Could there be a removal of the termination of survivor pensions that presently exists on remarriages? Could we promote some special incentives for spousal registered pension accounts? Could we look at full portability of vested pension benefits by means of a new registered pension account vehicle?

Many reforms, including the creation of a registered pension account, were suggested in a document put out by the government of Canada. It was issued in February 1984. All of us know what happened in the interim. I hope pensions won't again be put on the back burner and avoided as an issue. It will likely be a very difficult one to resolve. The hon. Member for Red Deer has convinced me that there are many technical and difficult matters. I speak as a layman here. I know it is potentially costly and that we must move carefully, but I believe we must move.

In conclusion, I think it has been quite an awesome process of review so far. I am reminded a bit of a quotation from the French marshal Pierre Bosquet, who watched the charge of the Light Brigade when the British went to their deaths against Russian artillery in the Crimean War. He remarked, "It's magnificent, but it's not war". Mr. Speaker, I think the idea of pension reform is something similar. It has been magnificent so far, but it's not action.

I hope hon. members will work with the Member for Drayton Valley and support this motion. I think a real, concentrated effort must be made to help people, particularly women in the work force, become aware of the problems that exist with pensions and do something about them as well.

Thank you, Mr. Speaker.

MR. LYSONS: Mr. Speaker, I too would like to join in this debate for a few minutes this afternoon. I'd like to congratulate the member for bringing this very important subject to the floor of this Assembly. It's unfortunate that there aren't some members of the opposition in to hear the discussion this afternoon, because the presentations put forward by the two members preceding me were very important and certainly worth listening to.

Pension plans and private pension plans are very complicated subjects. There is no way that any one pension plan would meet the approval of everyone. However, there are some things we must remember in pensions, in particular with the vesting requirements of pension plans. Most employers I have talked to have said, we'd certainly be glad to go into a pension plan for our long-term employees. But the employees that come and go, that are here for a year and then gone for a year, back and forth — these types of people cause some of the smaller firms particularly to opt out of having a pension plan.

The hon. member suggested in her motion that we should encourage pension plans to reduce the vesting requirements. Perhaps I'm being a bit of the devil's advocate here, but I think that for your investment into a pension plan as an employer — in most instances it's about 50 percent — you should have some expectation that your employee is going to stick around for a while. You don't mind investing in the [employee's] retirement, providing the employee is helping you to reach that retirement goal yourself. I believe we must be a little cautious

in rushing into reducing the vesting, although I'm not suggesting for a minute that some plans shouldn't be reduced. I would suggest that 10 years would be a considered length of time for full vesting and of course a portion of the 10 years, from five years up to 10, say, for a 20 percent graduation.

I think the "optimize portability" portion of the resolution should be considered very carefully, because if you make a pension or any other investment and make it too easy for people to move from one place to another, you can't really be sure of the same kind of loyalty to your company or your job. One of the things that happened in the '70s that's been most distressing to employers is the loyalty factor in employees. Without loyalty nothing can function. Without loyalty to a party, our government couldn't function very well. Without loyalty to a newspaper, the reporters couldn't function very well. Without loyalty to an employer, an employee doesn't function very well. So I think we have to stress and remember the loyalty factor.

On the third point in the resolution, I would like to suggest that the survivor benefits of a pension plan should certainly be looked at very carefully, because we do know of many situations where survivors have simply been left out and somebody other than the pensioner's family is beneficiary to those proceeds. Some people will argue that this doesn't happen anymore or doesn't happen quite as often. I've heard that argument. But I'm told it still does happen in certain situations, and I don't think that is really fair.

I would like to add something to the resolution. It's probably a little radical, but so what? I think investments into private homes are the best investments anyone can make. I don't think there is a pension plan, regardless of where it comes from or how it's put there, that's as safe as an investment in your private home. Historically it's the only really safe pension plan. I sometimes wonder why we've missed, in all the years of our existence as a nation, allowing any sort of tax break when people invested in their own homes. We can invest in an insurance company or in RSPs with our local banks or credit unions or Treasury Branches, and we can get some taxable benefit. For the life of me, I can't understand why there is no benefit if a person is investing capital in a private home. I am damned sure that the dollars going into the capital portion of a home are used an awful lot better, stimulate the economy, and do more things for us than investing in any bank or credit union or insurance company. I see no great problem in being able to attack on a taxable basis your equity in your home.

I think of all the real losers in this world that have invested in private pension plans. At the time, they probably put their maximum amount into a pension — took it out of their daily living for little red wagons and little red boots and things like that — and then found when they retired 25 years later that those hard-earned dollars just weren't very big anymore. If you invest in your own home, if inflation comes along and nibbles away at it, usually your home increases in value. It has historically. But if we had deflation that nibbled away at it, at least you'd know where it's at. So I suggest that we go on record in this Legislature, and at least have it aired, that we look at the most historical, safe pension plan — if we're going to have changes in our vesting requirements or portability or survivor benefits, that when we open these Acts we also look at the real opportunity we have to be able to invest in our own homes, to make sure we have a pension plan that is not only safe but that we can see and we can watch operate.

As a person who went out and sold savings plans and life insurance for a short period of time — when I'd go to sell life insurance, it was the most intangible thing you could ever sell. It's the toughest job in the world. I'm very envious of those people who can sell pension plans and life insurance, because they've got to be the most hardworking people in the world.

AN HON. MEMBER: It's easier than politics.

MR. LYSONS: It's easier than politics. But if you go out and sell something on the basis of a savings plan, there's nothing to it. I was very effective in selling something as a savings plan, but when I tried to sell somebody some life insurance . . . It always reminded me of the story of the life insurance man who came along to a farmer who'd been working in the field. He said to him, "I'd like to sell you some life insurance." The farmer said, "Why?" The insurance man said, "Well, when you die, you'd be leaving your family this kind of money for only this small investment. Just think of how happy you'd make your family and friends. People in the community would respect you. You'd just make a lot of people happy." And the farmer looked at him and said, "Young fella, when I die, I don't want anybody to be happy."

When we look at pension plans, we've got to look at what it is that people are buying. What is the employee buying and what is the employer buying? Are we getting our dollar's worth? In these days of high inflation, when \$100 or \$1,000 invested 20 years ago is worth so little in today's world, I think that is probably one of the more important challenges to this government.

Thank you.

MR. ANDERSON: Mr. Speaker, I'm pleased to participate in the debate today on this particular motion. Members who have spoken, both this afternoon and previously in the debate, have articulated well the reasons why this motion needs to proceed. Indeed I add my voice to those calling for passage of this important direction.

As a result of the many details we've heard in a number of excellent presentations, it seems that there's little need, for further discussion on it. However, I think there is a context in which this motion should be placed. I'd like to take just a couple of minutes this afternoon to do that for the Assembly.

It is my opinion that at this time in our history we have a responsibility to look at pension plans and the problems of our rapidly aging population more than ever before in the history of man. I say that because indeed the average age of our community is greater than it has ever been before. If one looks at the demographics and the projections, it is evident that that trend will continue throughout at least the next 50 years.

There are a couple of obvious reasons for that. The first is that we are simply living longer. We've made important technological advances in the area of medicine, and we have improved our standard of living to the point where we live considerably longer than the people before us did. The other major reason is the postwar baby boom. Those of us who are a product of that postwar baby boom are aging and will continue to do so for the next few decades — hopefully several decades, after which time we're unlikely to age in any obvious way.

Mr. Speaker, that is going to cause a number of problems for our society. The cost that will be evident in the health care system will increase to an even greater extent, at least if we're going to provide the same level of service as our population ages. We will have fewer citizens paying into the tax base of our society, at least if our current mandatory retirement ages prevail and if we follow current trends. We will have more need for senior citizens' accommodations, senior citizens' programs, and ways of dealing with and coping with that aging population. Depending on what technology does for us in the next couple of decades, we may have difficulty operating our society because of a lack of manpower, which is opposite to the situation we currently face with a level of unemployment, in this province at least, that could be better. Unless planning

takes place immediately, we will be in a situation where we cannot maintain the standard of living we've become accustomed to.

I suppose there are two main ways in which we might plan for the future in dealing with these difficulties. The first is to abolish mandatory retirement ages, to encourage individuals who are willing and able to work longer or work part-time for society to look at concepts like job sharing, so a person may be able to go into semiretirement more easily but might still provide some tax base for the community and some manpower for its needs. The second is to do what the hon. Member for Drayton Valley has done; that is, to look at the specifics of planning for that future and encourage individual initiative and individual responsibility with respect to that.

The other ramification of having a rapidly aging population is that the government will be much less able to deal with the pensions of the elderly, to provide security and income for those days when we may be less able to provide them for ourselves. This motion, that so rightfully has been put before us this afternoon, calls upon us to move further in encouraging individuals to look at that future problem we as a society will face and to plan for it. If that can take place through the many ways which have been outlined in this debate and with other changes, we may be able to get over what will be to some extent a hump in the projections and the graphs of population growth. We'll be able to plan for the long-term future as our medical advances hopefully continue and the average lifespan of citizens continues to grow.

Mr. Speaker, with those few comments putting this particular debate in context, I urge all members to support the motion and indeed urge the government to continue its programs planned to encourage individuals to look at their future and look at the planning that's responsible for it. I conclude my debate on this motion and urge members to vote for the hon. member's presentation.

MRS. CRIPPS: May I close the debate?

MR. SPEAKER: May the hon. member close the debate?

HON. MEMBERS: Agreed.

MRS. CRIPPS: Thank you, Mr. Speaker and members. First, I'd like to thank all members for their participation in support of this motion. The Member for Red Deer pointed out the complexity of the issue. The Member for Calgary Mountain View encouraged flexibility and co-operation between the private sector and government. The Member for Calgary McKnight cautioned the government not to add onerous expenses to the small-business man. Today's speakers added some excellent points.

Pensions are a people issue. The exact motion might be worth repeating before we vote on it:

Be it resolved that the Assembly urge the government to encourage private pension plans to reduce vesting requirements, optimize portability, provide survivor benefits, and promote individual responsibility for retirement planning and initiative.

I think the most important consensus from the discussion was the personal responsibility and the decision to plan for the future. I hope all governments will continue to discuss with the business community the ways and means of an effective personal retirement plan. It's imperative to have co-operation from all parties: employers, employees, and governments. In order for an effective plan to be available to citizens, we must have a flexible vehicle.

I support the new initiatives and discussions which are now taking place regarding pension reform. The Member for Calgary Foothills is absolutely right: it's time to do something rather than talk about it or study it. We study some things to death. I don't think the Member for Vermilion-Viking is so radical when he talks about homes being a pension investment. I think his points are well made, and I'd like to discuss a motion on that very aspect in the future. The Member for St. Paul's support was welcome. The Member for Calgary Currie outlined the aging of our population; that is, we're not just getting older, we're also living longer.

I guess my main concern is that all of us, each and every one of us here, especially from age 25 to 45 — or 50; I'd better take us all in — should plan for our retirement and future so we don't mortgage our children's future. I think that's key. The kind of benefits we have are going to be an onerous responsibility for our children to fulfill unless we do some planning today.

I ask members to support this motion.

[Motion carried]

207. Moved by Mr. Nelson:

Be it resolved that the Assembly urge the government to develop a policy whereby the retail sale of beer, wine, and spirits in the province would be gradually turned over to the private sector.

[Adjourned debate April 10: Mr. Lee]

MR. LEE: Mr. Speaker, it's an honour for me to rise today and reopen the debate on this motion put forward by the hon. Member for Calgary McCall.

Mr. Speaker, this is the second occasion on which I've had an opportunity to speak to this issue, in that I adjourned debate when it was first raised in the House on April 10, 1984. I mentioned at that time that I looked forward to speaking to this issue, and I have, because I believe it's a timely issue, an issue of the day. It's really quite an issue to tackle, because privatizing a program that in 1982 generated \$272 million profit for the provincial government is a major issue. There aren't many things that we make money at, and that is one of them.

When I look at this issue, I really feel it's very analogous to the wayward buffalo that escaped from the park and found its way to a bar in Banff. It staggered into the bar, went up to the bartender, and ordered a double martini. The bartender was a little flabbergasted and didn't quite know what to do, so he went to the back and said to the owner, "What am I going to do? I've got a buffalo out here who wants a double martini." The owner said, "Well, serve him. But buffaloes aren't all that bright, so charge him \$20." The bartender went back and served him the double martini. The buffalo was quietly drinking his martini, and the bartender was still a little bit nervous; he was polishing and cleaning his glasses. He said to the buffalo, "You know, we don't get many buffaloes in here." To which the buffalo said, "At those prices, I'm not surprised."

Mr. Speaker, it's not surprising that this is such a controversial issue, when the government of Alberta has such a significant investment not only in terms of economic return but in terms of dealing with the alcohol-related issue of abuse, a significant social investment in the people of this province.

The motion really asks us to make a choice, and choice is what this House is all about. Choice is really what freedom is all about. In some respects I have an opportunity to speak about two choices this week: to speak about the motion before us. Motion 207, which in many respects is a philosophical framework for the issue of freedom; and also to speak this Thursday

to my own Bill, Bill 213, which is a specific mechanism to implement that philosophical framework.

Mr. Speaker, when I speak to this issue, I speak of six areas of freedom: freedom to compete in business, freedom to choose as a consumer, freedom from excessive government, freedom to be personally accountable and responsible, freedom to trust and be trusted, and freedom to grow, to succeed, to fail — to experience life in its fullest.

Let me begin, Mr. Speaker, by dealing with freedom number one as I see it in this issue, the freedom to compete in business. I wish to share with you a quotation I think is most appropriate to this debate:

Government can be bigger than any other player on the field as a referee, but it has no right to become one of the players.

I believe this quotation to be especially appropriate to this issue with regard to the retail sale of liquor. In this case the government is not only the referee and a player but through regulation has become — if you'll pardon the expression and with due respect — a Wayne Gretzky in a might-be hockey league. It is true that when you put someone that good into a league with little or no competition the player soon begins to dominate and monopolize and bully. Whenever a situation arises in which a monopoly exists, it is no longer possible to measure efficiency by looking at profits. I believe that one of our problems is that we look at the bottom line of several hundred million dollars and assume that we are operating efficiently. If Wayne Gretzky could compete in a might-be hockey league, I am sure he would score 10,000 points in a season.

But we're not talking about Wayne Gretzky; we're talking about the Alberta Liquor Control Board. Mr. Speaker, there is a need for a referee. There is a need for some form of referee in this and all societies. But there is no need for a monopoly, for only one player. It's appropriate to recognize the historical background. When the Alberta Liquor Control Board was formed in 1924, there was an acknowledgment and a recognition that perhaps this would be a mechanism for regulating availability and consumption. But since 1924, we've discovered that it is not legislation that regulates consumption; it is people's attitudes, cultural activities, income, and a whole combination of exterior social conflicts. It certainly is not government regulation.

Mr. Speaker, I believe we ought to apply to this the principle I apply to most issues of government: that government should do only those things that the private sector cannot and will not do. This is clearly something that the private sector is willing to do. In fact I suggest that there is an army of capable retailers and businesspeople who seek the opportunity to conduct business in this regard.

Mr. Speaker, I believe this issue and this motion really fits within the context of the Speech from the Throne on March 15, 1984. I'd like to quote:

Expanded Privatization — Building on the successful privatization of Pacific Western Airlines, a number of provincial departments are proposing that segments of their operations could be more efficiently undertaken by private-sector firms.

Let me just quote that: "more [effectively] undertaken by private-sector firms". This applies, or at least it should apply, equally to those segments which make a profit and those which do not. It certainly seems like a double standard when government says: okay, private sector, you do all those things, and we'll just keep the easy things that make money.

If we look at the list of achievements of the provincial government in the past year and a half, starting off with PWA, they're significant. We look at a number of areas under Alberta

Environment that were contracted out — analytical services. We look at new changes and simplification under the freehold mineral rights tax regulations. Alberta Transportation is contracting out significantly more of its work to the private sector. Maintenance work on government buildings is being contracted out. Real estate salesmen will now be able to self-register and self-license. Mr. Speaker, the list goes on and on, and it's more impressive indeed when we consider the context of the deregulation work being undertaken by a number of our colleagues in the House. I believe the time has come to end this government monopoly. It does not serve us well. In some respects, I believe it distorts and smothers individual initiative.

The second freedom I wish to address, Mr. Speaker, is the freedom to choose as a consumer. When we look at choice as an option, it is an important characteristic that makes us different from everyone else. It makes us different from animals, from plants, and from other governments. The ability to choose is what makes the marketplace work better and assures us of political and economic democracy. Choice is such a vital factor in our way of life. Based on my decisions of choice, I have an opportunity to decide who I want to associate with, what political party I want to belong to, what kind of clothes I want to wear, and where I want to live. Choice is vital, and governments should make no effort to restrict choice unless there is a justifiable reason for doing so.

One of the areas of greatest concern and feedback I've had over the past while is the lack of choice now of hours in which a consumer can purchase liquor at a Liquor Control Board store. Instead of six days, there are five days. Instead of extended hours, there are limited hours. In many respects it poses a major inconvenience.

I note that on May 25 *The Edmonton Journal* ran an editorial that said:

If a store has empty shelves, it may soon go out of business. Not so the [ALCB]. It can scoff at market forces — and still survive.

The province likes to argue its . . . liquor-selling operation follows business trends. Empty racks of specialty wines in many Edmonton liquor stores indicate otherwise.

Customers may be annoyed by the shortage of wine stocks, but they cannot turn to a competitor because the government will not allow competition. This is nonsense.

Alcohol is a consumer good that should be sold under, and subject to, normal market conditions. The government does not need sales outlets to regulate liquor consumption. It already has a sheaf of regulations which gives it all the power it needs to do that.

I think this editorial points out very clearly that you don't need to own something to control it. Regulations that are set here in the Legislature and through the cabinet process of parliamentary democracy can clearly dictate the control we wish to have.

Mr. Speaker, I think the third freedom in this issue is the freedom from excessive government. President Reagan said, "Government big enough to give you everything you want is big enough to take away everything you have". My point of view is that government ought to be doing those things that the public desires and needs that are not provided by the private sector. I'm not one who says that least government is best government, because there are certain things I believe we ought to do. But I think we should set priorities and, above all, we should not compete with our own citizens. We should not compete with the private sector, because we have a remarkable advantage that disfavors the people we represent.

Of course when we talk about this issue, Mr. Speaker, there is the issue of revenues. I don't think the public should be too

concerned about giving a profit margin to the independent retailers for selling beer, wine, and spirits, because the government will always earn its revenue via taxes. We will always have taxes. In terms of judging the efficiency of our distribution system, why not leave some margin, some markup, to the retailer who incidentally pays taxes and employs people?

The fourth freedom, Mr. Speaker, is the freedom to be responsible and accountable — a vital freedom, because with responsibility goes accountability. As long as government presumes to be responsible and accountable for us, it certainly makes it difficult for us to develop that sense of personal accountability.

I guess as good an example of that as any is driving an automobile. It wasn't all that long ago that I received a speeding ticket.

SOME HON. MEMBERS: Shame.

MR. LEE: I confess, Mr. Speaker, I could take the point of view that they did it to me. It was the government who did it to me. It was that dirty, rotten government that set the regulations, and it was that RCMP officer who nailed me. If it wasn't for them, I wouldn't have this problem and this fine to pay. But the truth of the matter is that I drove the automobile and I was accountable. Unless I have the opportunity to experience that accountability, I won't understand its meaning.

At the moment, the provincial government is saying: we're accountable for your drinking habits, because we control the distribution system. As long as government takes responsibility, it is accountable rather than individual citizens. We wonder why young people have so much difficulty understanding the difference between being responsible and being a victim.

Mr. Speaker, one additional freedom that I think fits in between the next two is the freedom to trust and be trusted. When I was an alderman in the city of Calgary, I was appointed to be a director of the McMahon Stadium Society. The city of Calgary appointed two directors. When I arrived at my first meeting, I asked the question of my fellow directors. "Why is it that we don't permit the legal sale of beer at professional sporting events?" Everybody said, "That's a pretty good idea: we ought to do it." But nobody had done it. So with my youthful enthusiasm, I prepared a resolution, and it was voted on by the directors. It was approved four to two. Then I suggested that the resolution be approved by the appropriate authority in Edmonton, and it was. I took it to city council in Calgary, and they adopted the resolution. We forwarded it to the provincial government, and nothing happened.

I recall there was great debate at that time about how this was going to corrupt fans at a professional sporting event. I couldn't quite figure out how it was going to corrupt them any more than a patron of the arts attending a concert at the Jubilee Auditorium being able to go out at the break and enjoy a cocktail or a glass of wine. I couldn't understand how it was going to corrupt anybody any more than a fan at the racetrack, who could sit in a beautiful air-conditioned booth and order a drink from his seat.

I again proposed the motion. The second year, the city council of Calgary had a great debate but approved it. The Edmonton city council passed the motion. It was presented to the provincial government and, in recognition of the previous Solicitor General, it became legislation. It used to be the case that after every professional sporting event at McMahon Stadium in Calgary the maintenance staff would take a half-ton flatbed of empty hard liquor bottles out. Yet we'd controlled by regulation that you couldn't drink.

What has happened since we brought in the sale of light beer in paper cups?

AN HON. MEMBER. We've lost every game.

MR. LEE: We've lost every game. At least there's been something to do while that's happening.

Mr. Speaker, consumption of hard liquor has been reduced by 400 percent. City of Calgary police have said it's brought about better habits, better attitudes, better drinking, better driving, less violence, fewer instances of empty hard liquor bottles being thrown, and less injury. Consumption of hard liquor has gone down by 400 percent. I remember all the people who said: this is awful; it's going to bring about the moral decay of society if we simply let the average citizen make the choice. Let them have the freedom to choose. Mr. Speaker, isn't it interesting that when they have the freedom to choose, they choose moderation. And we didn't believe they could be trusted.

Mr. Speaker, I believe this situation is very much analogous to the provincial government not only registering automobiles and licensing drivers but also becoming the sole retailer of automobiles in the province. Can you imagine the provincial government saying: look, since we license and regulate the sale of automobiles, if you're going to buy a Ford or Chevy, you have to buy it from the Alberta provincial automobile control board. I raise this point because the number of injuries and deaths and the amount of property damage resulting from automobile abuse is certainly comparable to alcohol abuse, yet we have not got involved in automobile retailing. Why not? Because we know the private sector can do it well.

Mr. Speaker, regulations could and would regulate the sale of alcohol by the private sector as effectively as a government monopoly. Privatization does not mean loss of control. It means effective enforcement of regulations, if we so choose.

I would like to quote Horatio Seymour, governor of New York in 1854. Seymour made this comment when he vetoed a prohibition Act.

All experience shows that temperance, like other virtues, is not produced by law makers, but by the influences of education, morality and religion. Men may be persuaded — they cannot be compelled to adopt habits of temperance.

How true his words were. I believe our role as a government is to provide that education and to protect the freedom of moral and religious beliefs. Within these parameters, we must put faith in the individual.

Mr. Speaker, point number six: the freedom to grow, to succeed, and to fail; to experience life as it is, not as government would wish us to perceive it. There have been many studies showing that if we control the availability of liquor, alcohol consumption increases, goes down, or stays the same. I'll provide you with an example to justify the position taken by any study you wish.

An interesting study that attempted to embrace a number of these areas was conducted and reported in the *Journal of Studies on Alcohol*, 1977. It was entitled — here's an exciting title for you — The Relationship of Availability of Alcoholic Beverages to Per Capita Consumption and Alcoholism Rates by Reginald G. Smart. In this study they identify 22 areas in terms of availability: minimum legal drinking age, limitations on availability for off-premises sales, limitations on availability for on-premises sales, Sunday retail sales, weekly closing hours, and so on. They gave a high rating to those states that had easy availability and a low rating to those states that had limited availability.

Statistics can prove anything and everything, Mr. Speaker, but isn't it interesting that the state that had one of the highest rates of alcohol availability, the state of Wyoming, had a per capita consumption of 2.85 U.S. gallons of absolute alcohol by population aged 15 and over and had an alcoholism rate of 2,300 people per 100,000. They had one of the greatest rates of availability — 42 out of a scale of 64 — and they had an alcoholism rate of 2,300 per 100,000. The state of Kansas had one of the lowest, most restricted rates of availability — a rating of 18; the lowest was 16. Yet their rate of alcoholism on a per capita consumption of 1.72 gallons was 2,490. In other words, they had one of the tightest, most restricted availabilities of alcohol anywhere in the United States, and they had a higher rate of alcoholism than the state that had the highest availability. What the studies are clearly showing is that there is no conclusive relationship between availability and rates of consumption. Yet there are people in this province who choose to pick out rates, statistics, and so on to justify their case that there ought to be temperance or near-temperance.

To summarize, Mr. Speaker, I support this motion because I think there are six freedoms at issue: the freedom to compete, in business, the freedom to choose as consumers, the freedom from excessive government, the freedom to be personally responsible and accountable, the freedom to trust and be trusted, and the freedom to grow and succeed, to fail, and to experience life on our own terms not that of the government. So I support this motion for its freedoms and because I believe it is a necessary step to ensure the mechanical approval of Bill 213, which I've introduced in the House and which will be debated on Thursday.

Mr. Speaker, I wish to make one careful caveat on this Bill: we should not trade a public monopoly for a private monopoly. If in fact we are going to privatize, let us privatize such that all who seek a licence may obtain one within a reasonable degree of control. Let us not simply turn over a limited, profitable monopoly from government to a select group of individuals only. Let us make it available to those who wish to abide by the regulations and restrictions that are set by this government.

In closing, Mr. Speaker, Thomas Burlington MacCaulay, an eminent British historian, stated:

Our rulers will best promote the improvement of the nation by strictly confirming themselves to their own legitimate duties, by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property and by observing strict economy in every department of state. Let the Government do this, the people will assuredly do the rest.

Mr. Speaker, I believe we may best promote the improvement of the province by confining ourselves to the provision of services which cannot adequately be provided by the private sector. We must complement the private sector, not compete with it. A great leader once said: government should do only those things the people cannot do for themselves. I believe this motion moves us one step closer to a system where government does not compete with the people it represents.

MR. SZWENDER: Mr. Speaker, I also would like to participate this afternoon in the debate on Motion 207 and would like to begin by commending my esteemed colleague from Calgary McCall for bringing this very important motion before the Legislature. It's the kind of motion that has been debated for countless years in back rooms, on the street, through the media, and in various other ways. But it took somebody with the nerve of

the Member for Calgary McCall to bring this before the Legislature to get a thorough airing and the diversity of views that are necessary to encourage its introduction.

Mr. Speaker, it's always difficult to rise and add thoughts and ideas after a long list of speakers have already brought very relevant and important points, without being repetitive. But I will attempt to bring in some points that possibly have not been discussed to this time. Also, it is always extremely difficult to follow the fine act by the Member for Calgary Buffalo. He must be commended for selling the free-enterprise philosophy with the same kind of passion that I see religion sold on television on many mornings. The comments he made were certainly very welcome. I promise to buy his book and hope to be able to duplicate his speaking abilities.

Mr. Speaker, I'd just like to begin by making a comment that I have often made to students of mine when I've been teaching. The most important aspect of turning 18 years of age, the age of majority, is not that you'll be able to run off and get into some bar legally, maybe for the first time, or go off to the liquor store and buy your first birthday bottle; it is becoming a full citizen of our society and voting. Many students think it is far more important that they can finally enter bars or liquor stores legally without being challenged, even though they may have been doing so in various devious ways from a much younger age.

I want to talk about two important aspects of this motion, and that has to do with attitudes and the monopoly. First of all, attitudes — that will be expanded as I bring out my points. We live in a culturally deprived part of the world. Certainly there seems to be a lot of reaction to this motion from certain segments of our society that think that if we privatized the Liquor Control Board or in some way liberalized our liquor laws we would become less civilized and would build the number of social problems we have. If we look at other parts of the world, whether it's Europe, the Orient, or the United States, which have a much longer history than our own, I certainly don't think anyone can say that liquor has caused extensive problems in those societies. Those are the people we often look at as being the source of much of our culture and heritage.

The second thing, briefly, is the monopoly. I think it's long overdue that the Alberta Liquor Control Board, that bastion which has resisted any attempts at intrusion into the empire they have controlled for so many years, was challenged. Certainly the timely introduction of this motion may lead all citizens of this province to reconsider the monopolistic position of the Alberta Liquor Control Board, so we can turn it over to the private sector, as was mentioned on a number of occasions, and let the private sector do, as well if not better, what the government has been doing for so many years.

[Mr. Deputy Speaker in the Chair]

I hope the Member for Calgary Buffalo doesn't take offence at this, but I'd like to begin by suggesting that by passing Motion 207, which I hope would be followed by a government Bill that would initiate the necessary legislation, possibly we will not need Bill 213. I have a number of reasons for taking this position. First of all, privatization of the Liquor Control Board would achieve many of the goals or objectives that are introduced in Bill 213. First of all, the monopoly of the Liquor Control Board would be broken. I believe that one of the main arguments for bringing beer and wine into grocery stores, as is the objective of Bill 213, is to provide an added source of income or revenue to independent grocers. If the private sector were to take control of the various liquor stores, then we would have done that. We would have put beer and wine, which are

now distributed through liquor control outlets, into private hands, so indeed they would be reaping the benefits of conducting that business.

Another reason that was given for the introduction of Bill 213 for the sale of beer and wine in grocery stores was that it would give some type of advantage to independent grocers for added revenues. I can certainly sympathize with that position, knowing the way that many large chains, whether national or international, are controlling the grocery business. But indeed my study and observation of that issue is that very few independent grocers exist any longer, at least in the city of Edmonton. Basically the chains, such as 7-Eleven or Mac's or Red Rooster, have become monopolies of their own. I don't believe they need any added revenue or any assistance by getting the privilege of selling beer and wine from their shelves.

To complicate the matter even further, in Quebec the privilege of selling beer and wine was given by licence to independent grocers. That means that they did not belong to a chain of more than five stores. This worked reasonably well except that very recently Steinberg's, the very large food chain operating in Quebec, bought a grocery store that had existed prior to the licensing. Because they bought one grocery store and converted it into a Steinberg's, that gave them the right to introduce beer and wine in all their food stores in Quebec — over 150; they're the Safeway of Quebec. Suddenly the advantage that was given to the independent grocers was eliminated. Now people are able to buy beer and wine in those large chains. The original purpose was to give the independent grocers some type of advantage.

The other thing is that when people shop in many of these stores, a lot of that buying is done on impulse. Studies have shown that about 30 percent of the beer and wine sales were impulse buying. Certainly there's no real reason to pursue that aspect of the issue. Privatization of the Liquor Control Board would achieve this in many ways, and we should maintain the sale of beer and wine to those facilities.

The other problem with beer and wine in grocery stores rather than in liquor stores, where it can be controlled, is that a certain segment of the store would have to be segregated so those stores that are open 24 hours a day would not have beer and wine available during those hours because, of course, they would have to be regulated. There is a whole list of other problems. Certainly the hon. Member for Cardston could attribute to the fact that there is a dry town in his community. It's Cardston, I believe. There is the curious situation that although it is a dry town and there doesn't seem to be any distribution of spirits or beer and wine, there's always a big question why so many trucks with empty bottles are leaving that town after the weekend. That hasn't been solved yet, but I'm sure we can all draw our own conclusions.

I'd like to respond now to some comments speakers made earlier about reservations and concerns they had about privatizing the Liquor Control Board. Two of the main issues were increased availability of liquor to the citizens of Alberta and the possible decline in the revenues the Alberta government receives from the Liquor Control Board. First of all, with respect to availability, I don't think anyone supporting Motion 207 suggests that liquor stores would have a free hand, that we would have a Jack's 24-hour liquor store on every corner that would be able to operate at its own whim and desire. I would oppose privatization of the Liquor Control Board if that happened.

I still maintain that we would have something like the Liquor Control Board, probably a liquor control commission which would still have to do much of the regulation as to how these private liquor stores would function. That in turn would deter-

mine the hours of operation, building code standards so that buildings that are not suitable for something as difficult to manage as liquor would not get out of hand. We would still set regulations on staffing and the whole question of security. So in place of the Liquor Control Board, we would still need a liquor control commission which would largely be responsible for regulating the liquor industry in this province.

The only change I would see, the only visible difference to the citizens of Alberta, would be that instead of some government employees showing up in the morning and turning the key to the door, Joe Citizen would be opening his or her own liquor store or establishment. That proprietor could be a Stan Nelson or a Brian Lee. Other than restricting the size of liquor stores and also the number of outlets, which again can be done by regulation — such as putting them into economic zones within the city of Edmonton, much as is done with bottle depots — the regulatory aspects can still be maintained. I don't think that availability, if it can be correlated with increased consumption — although that is a highly debatable point in itself — would in any way increase consumption by the citizens of this province.

The second concern raised was with regard to revenues. Certainly the figures as to the amount of tax revenues that flow into Alberta government coffers have already been given, and they are indeed large. But of course that is mainly attributed to the fact that the Alberta Liquor Control Board has a monopoly. They do not have to compete, and they run the game according to their own rules. However, without a lot of scientific analysis of this, I believe the revenues could still be maintained.

First of all, we as a government would control the wholesaling. That does not mean that every individual owner of a liquor store would travel the world and bring in wines, beers, liquors, and spirits that he would purchase. Distribution would still be done from a central warehouse location, whether in Edmonton or Calgary, because those facilities are there. They are state-of-the-art technology. As long as the government controls the wholesaling, they can control the tax revenues that come from the distribution of those alcoholic beverages. So the important thing is that the government will and should maintain the wholesaling aspect of the liquor industry.

Secondly, existing Liquor Control Board store sites would be sold or leased. In some areas it may be preferable that an entrepreneur businessman buy the liquor store that is there. In other cases it may not be as feasible financially, and a lease agreement would have to be established. Either way, we would recover our capital cost for building or, in the long term, would recover our costs through leasing agreements. Again, these are details that may be worked out as this becomes more of a reality. Then of course there are added revenues from licence fees, business licence or whatever we would call it, in order to get the opportunity to operate a liquor store as a private business.

Number four, we would also save a lot of money on some of the lavish liquor stores that have been built throughout this province. I personally feel it is almost obscene to drive through a struggling community in which a lot of the buildings have trouble standing upright and find that the only building that is, is a grandeur liquor store with its brick, smoked glass, chrome, and everything else. I question whether a businessman having the opportunity to run a liquor store in that particular town would have built a building of comparable size or stature in that position. Inevitably the answer is no. So I think we have to get out of that whole aspect of building liquor stores that have no place in certain communities that are otherwise struggling and yet the government is spending very unnecessarily.

There are some other options of privatization that have not been looked at. We've talked about privatizing the liquor stores

themselves. To the public, I think they would largely maintain the appearance they have at the present time. However, there are some other options, and these are based on models or examples I have witnessed in other provinces or countries. One is the specialty wine store. That is an area of privatization we could get into. Again, this would all have to be looked at very carefully. If someone got a licence to sell wines specifically, that's all they would be able to sell and that's all that particular store would be able to carry. I think connoisseurs would greatly appreciate that and would look at it as a shopping venture in testing and experimenting. In many other jurisdictions, they have wine sampling available. It all comes with good taste, and I think it could be done in that light.

Another aspect of privatization that we could look at is the cottage beer-brewing industry. It is being tried very successfully in British Columbia. There it is modelled largely on the Great Britain style of corner or local pub. In the 19th century when each pub brewed beer on its own premises, it was difficult to transport it. There were no chemicals and all the other additives that made that possible. Each pub brewed its own beer. It had a particular local flavour or taste. The clientele, the support for that pub, was based on the success of the brewing of their beer. In British Columbia that has been experimented with. Again, it is regulated. Rather than brewing beer to distribute throughout the province in bottle or keg fashion, it would be sold on the premises where it is brewed. I think there's a lot of merit in that idea that should be given thoughtful consideration.

A further area of privatization that we would have to give some thoughtful consideration to is the whole area of advertising. In discussing this motion with my constituents and with other members of the public, there has been fear expressed to me that once private industry gets into anything, the competitive nature takes over, and the success of private competition is largely based on the success of advertising. Would we have a great expansion of the amount of advertising that would be permitted, and would that lead to more alcohol consumption and have a bad influence on our young people? Certainly we would have to control advertising in much the same way we are right now.

In fact, Mr. Speaker, I would go even one step further and suggest that the advertising presently being done — and again, we have to realize that hard liquor or spirit advertising is not permitted in the electronic media; beer and wine advertising is permitted. But I think some of the beer companies are transcending their limits just a bit; that is, promoting life-style advertising. I don't think anyone could argue that it's fair and proper for any company to promote its name for name identification so that they are competing with another company for their business. But when you start promoting life-style advertising for a certain product, particularly alcohol, then I think it has a negative influence on young people. Maybe the government should review the legislation permitting that type of advertising. Certainly if privatization of the Liquor Control Board did occur, we would have to limit and restrict the type of advertising that would go with it, and naturally that is part of the free-enterprise system.

I just want to mention that the advertising would have to be much like what doctors or lawyers do. They're allowed to give their location and maybe the name of their corporation or business, but no further. That does not mean advertising particular fees or other extravagant services. So we wouldn't want all kinds of sales like two for one, with neon signs flashing all over the streets, or those mechanical dandelions sprouting up all over, advertising "buy two, get one free", "all you can drink", or something like that.

Mr. Speaker, in concluding the debate on Motion 207, I would like to say that Alberta could be a leader in this very

innovative idea. No other province has taken this initiative, although many have considered it and given it a lot of thought. I believe Alberta could show by example that the private-enterprise system can conduct this monopolistic product, which we have to recognize has a very unique historical nature. If it's successful here, possibly we could see other provinces following in the footsteps of Alberta, again as a leader. As such, I urge all members to support Motion 207 and help lead Alberta into the 20th century.

Thank you, Mr. Speaker.

MR. OMAN: Mr. Speaker, my remarks will be relatively brief. I think it's a good thing we're having this discussion. Some very good points have been made on both sides of the question. However, I will state my preference: I am basically opposed to Motion 207, because I think there are some implications here that have both long-standing and very wide-ranging effects. There's a verse in the New Testament that goes something like this: let him that stole steal no more, rather let him work with his hands doing that which is good. A fellow reading that said, I wonder what it would do if we placed the comma in a different place? He came up with this: let him that stole steal, no more let him work with his hands doing that that which is good. It doesn't take very much of a movement, just one word, for that comma to change the whole phrase.

I guess the thing that really disturbs me — and I admit the last speaker touched on it. First of all, no other province or state, as far as we know, has taken this particular step. I guess I have to ask myself and the rest of the Assembly why. Obviously they don't feel that it's a particularly good step to take. I don't think it's a particularly good step to take, because when you blend the profit motive with such a volatile substance as alcohol, it seems to me that you can have a lot of dangerous results. That's really the thing that kind of frightens me.

The member who just spoke indicated that we would have to curtail our advertising. I'm sure we would. I'm not sure how we would do that. I think we could save ourselves an awful lot of problems by not making the move at all. But I fail to see where — the engine that runs private industry is profit. I don't have to tell you that alcohol is by far the largest drug problem our nation faces. I'm not sure we're interested in putting this in the hands of an industry that is interested in pushing it for the sake of profit. I see no way in which this would lessen the problem we are now facing. Albertans are already among the highest consumers of alcoholic beverages in Canada. I would be very reluctant to introduce any kind of move whatsoever that would encourage this.

The second thing has been touched on briefly. We as a province are now spending — I was going to say tens of millions. But if you take hospitalization, medical care, and everything else into effect, I suspect it goes into the hundreds of millions in both education and rehabilitation. I'm not sure we would want to give the revenues from liquor sales, as questionable as they may be, to private industry, because in effect we need those revenues to treat the problem we are partially creating.

The Member for Calgary Buffalo mentioned his efforts with regard to getting sales of beer at sporting events in Calgary, and I know he worked very hard to do that. I was a bit ambivalent about it at the time. I've been in places where beer has been sold at sporting events, when I lived in Chicago and so on, and while I wasn't close enough to know about it, I was wondering if it wasn't working well. What the member failed to mention was that because they've had so many problems with the sale of beer in the stadium this past year, patrons being so upset, the football club in Calgary decided that they would

cease to make it available in the stands and only have it sold in limited places underneath the stands. Of course it's much more difficult to take away something that people have than to bestow it in the first place. As a result, the football club finds itself in great difficulty, because they knew the sale of beer in the stands was discouraging people from attending the football games. They were simply sick of having beer spilled all over them and of the kind of rough behaviour that went on around them.

I sense this also with regard to — I happen to have seasons tickets to the Flames. I don't get there much when we're in session, Mr. Speaker. But in any case, there are a few seats down in front of me, which I think are company-owned. I always recognize when the beer drinkers come. Of course you can't control that to a point, but the unfortunate part is that when they get well tanked up — it was just two weeks ago that one fellow spilled his beer all over the fur coat of the lady in front of him simply because he was out of control. I have concern about a lot of factors involved here.

I want to give a couple of other members a chance to get in here, and I'll refrain from making further remarks. I have real reservations about the profit motive in alcohol because of the problems I think it would create.

MR. KOWALSKI: Mr. Speaker, this debate this afternoon on Motion 207 with respect to the development of

a policy whereby retail sale of beer, wine and spirits in the province would be gradually turned over to the private sector

is proving to be a rather interesting one. Like the Member for Calgary North Hill, I have had to endure the ignorant experience of sitting beside people in the football stands here in Edmonton and having the stuff poured all over me. Perhaps the Edmonton Eskimo Football Club might want to take a look at that, in recognition of the fact that the number of people attending recent games here has decreased rather significantly.

Mr. Speaker, we've had a tradition in our province with respect to the role of the Alberta Liquor Control Board in our society, and I think it's been a very positive and effective and efficient tradition. It's extremely important that when we partake of a debate with respect to this kind of concern, we are very, very much aware of what the people of this province and the people of our constituencies are thinking on this issue. In the spring of 1984, I undertook a survey on this whole question and received 1,454 responses from constituents of mine. Essentially I asked my constituents if they were in favour of this whole question of privatization of the Alberta Liquor Control Board and the sale of beer and wine in grocery stores. They overwhelmingly rejected the idea and the concept. In fact over 80 percent of those 1,454 respondents said no. They were definitely against it. Less than 20 percent said that they might be in favour of it.

As a representative of nearly 30,000 people who live in that constituency, it's incumbent upon me and a responsibility of mine to stand in this House and represent the views of my constituents; not to represent the views of a very, very small group of people who might profit by this new approach to expanding the utilization and usage of spirits and alcohol in our province. Not only is it incumbent upon me but I think it's also incumbent upon other members of this Assembly to accurately — and I repeat, accurately — reflect the views of their constituents on this very important matter that appears to be becoming a bit troublesome to some of the good people in this province.

Mr. Speaker, I want to make it very clear where I stand on this issue. I'm against it, and I intend to campaign against it

in all parts of Alberta where I might be invited to speak out against this expansion.

Mr. Speaker, I'd like to adjourn the debate on this issue. .

MR. DEPUTY SPEAKER: Is it agreed the hon. member may adjourn debate?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: It is so ordered.

219. Moved by Mr. Martin:

Be it resolved that the Assembly urge the government, as a matter of urgent priority, to undertake the planning and budgetary processes required to provide for the construction and subsequent operation of a northern Alberta children's hospital, to be situated in the city of Edmonton and to open no later than January 1, 1987; and, in undertaking the required processes, to liaise closely with the Northern Alberta Children's Hospital Foundation.

[Adjourned debate April 12: Mrs. Cripps]

MRS. CRIPPS: Mr. Speaker, when we last debated this motion, I indicated that I wanted to do a little more research on it. I have had an opportunity to talk to some people in the northern Alberta children's foundation and some pediatricians I've had occasion to know for many years. I note that the foundation spokesman I talked to felt that a freestanding hospital with research facilities was their goal. Their concern was that wonderful personnel may be attracted to Alberta but are shunted from hospital to hospital and generally tend not to stay. That may not be true in all cases, but they certainly felt it was a factor in ensuring that the kind of high-quality research and medical practitioners they envision as being necessary to the welfare of the children of northern Alberta do in fact stay and practice here.

I also believe the implication is that if a specialized children's hospital were developed, some of the pediatric beds in other hospitals would have to be closed. In fact there are presently 500 beds in Edmonton, and I understand that the occupancy rate is about 40 percent.. [interjection] How much? A member says it's 55. So the information given to me in my earlier research was wrong.

In keeping with my remarks of April 12, prudent planning must be undertaken to ensure that any specialized children's facility would be efficient and effective. In fact one of the criticisms I received more than once was that there isn't any overall program planning for pediatric care in the city of Edmonton. The care may be as fragmented as the planning, because there are no specialized facilities.

[Mr. Speaker in the Chair]

I understand that the opening of the second stage of the Walter C. Mackenzie hospital will provide 90 pediatric beds. But I was also given to understand that the research facilities attached to those 90 beds would be extremely minimal because of the amount of other research and the lack of space.

The problem outlined to me is that the hospital is still not geared to children. I have to agree with that, Mr. Speaker. I've gone through the emergency wards and through the analysis they do prior to any decision on whether to admit or not admit, and those facilities are not geared to children. There's no doubt in my mind about that. They use adult X-ray facilities, and the gal who does the blood testing isn't really at ease with a baby.

Quite frankly I don't blame her. I'm not at ease with a week-old baby any more, and I had some myself. If you're not handling children, you lose that confidence you may have had when you had your own week-old babies. So it is a problem.

I understand that Vancouver opened a children's hospital two years ago. I mention that because it necessitated some changes which some people in the Edmonton area may not see as desirable, but these changes must be weighed when you're thinking of a children's hospital. First would be the closure of pediatric beds in other hospitals. I understand that that was done in Vancouver with some hue and cry. From reading a recent article, I understand that people are happy with the new facilities and the services it provides.

It also necessitates some very active out-patient clinic development. It created a critical group of investigators in Vancouver, which wouldn't have been possible in a bunch of fragmented children's wards throughout the city. In the last two years, they've developed a children's research centre. In talking to a number of people, I think this seems to be the key. As a member of the Heritage Savings Trust Fund committee, the importance of medical research has certainly been highlighted and emphasized in my mind. From our Heritage Savings Trust Fund meeting on the Alberta Heritage Foundation for Medical Research on September 6:

75 people now cover practically the entire waterfront [of medical research], from biochemists, geneticists, molecular biologists, and physiologists of a number of types, all the way across to pediatric nutritionists, cardiologists, a plastic surgeon, chest and gastrointestinal experts, and infectious diseases [experts] ...

It was pointed out to us that these people may be next door to each other, that there is a free flow of information from the clinical practitioner to the researcher, and that this is very, very important and a key to the development and integrity of medical research.

They also noted that the medical research foundation has made it possible for a knowledge transfer in the province of Alberta, which has ensured that all Albertans benefit, in that new procedures and new discoveries are known and used in your physician's office and mine. I think that's a very, very important aspect, that we have to tie back to the possibility and the extent of a children's research facility. The importance of research in the area of children's medical problems would be key in my mind, as I said, and was certainly re-emphasized by my experience with the Heritage Savings Trust Fund committee.

I might not be able to support a freestanding children's hospital. Quite frankly after my discussions, I'm still undecided. In fact weighing the pros and cons and the expense — not that we probably couldn't afford to build it if we decided to; I'm talking about practicality and utilizing the facilities that are available. I could most assuredly, though, support a children's wing or pavilion physically linked to one of the major hospitals. Given the importance I attach to research, I would support that attachment to the Mackenzie Health Sciences Centre at the university.

In order to plan and really implement priorities, I think that the pediatric wing, if such a thing happened, would have to have separate global budgeting so their own board and advisory committee could make decisions. I think this is key to the root of the problem; that being that they don't and can't make decisions because they are confined within the overall budgeting, which is certainly understandable. In order to fulfill that kind of function, it would have to be identifiable and able to make its own decisions.

Mr. Speaker, if you were looking at a children's wing, you would have to look at a lab and X-ray facilities distinctly designed for children. Certainly it isn't realistic to have a duplication of such expensive and unique equipment as super MR machines or the super CAT scanners. I can't imagine anybody expecting to be able to duplicate that kind of very expensive and refined research equipment.

I believe that the U of A has resources which are unique and which would be an excellent addition if you were doing something like a children's wing. The cross-fertilization only takes place in a setting where they actually communicate and mingle. Clinical use has to have contact with the academic community for that to happen. For cost-effectiveness purposes, the clinical group would have to be close to a research group. If I'm repeating myself — the benefit of research can only be accomplished if the communication is adequate for clinical use.

I believe we really should consider the effectiveness of present pediatric care and the long-term benefits of developing a pediatric research and clinical delivery system par excellence. I encourage some long-term, cohesive planning with the view of coming to a conclusion on this issue.

My colleague tells me he wants to speak, Mr. Speaker, so I'll conclude with that.

MR. PAPROSKI: Mr. Speaker, I'm pleased to participate in this debate on Motion 219, pertaining to the establishment of a northern Alberta children's hospital in the Edmonton area.

In addressing my remarks to this motion, I think it is important to note the context in which the debate on the northern Alberta children's hospital has taken place. There is no doubt that this is a very emotive issue. As a result, much of the debate that has occurred both inside and outside the House has been blurred by emotionalism. Perhaps, Mr. Speaker, that is a natural reaction, because this issue deals with the life and death of our children, of our human resources, of our young people that we hope will carry on after we are gone.

However, I believe that our responsibilities as legislators require us to go beyond emotion to have a constructive debate on the merits of a children's hospital for northern Alberta, in terms of need, priority, economics, and timing. Only by doing this can we go back to the people of Alberta and say in a responsible fashion: this is our decision, and this is how we came up with that particular decision. With this in mind, it is my hope that this debate today proves to be constructive in meeting the issues surrounding pediatric care and a children's hospital in northern Alberta.

Mr. Speaker, I feel it is important to ask ourselves as MLAs if there is indeed a pressing need for a children's hospital for northern Alberta at this juncture? There is no doubt that the number of beds allocated to pediatric care in the various active treatment hospitals in Edmonton is sufficient, if not more than sufficient. Of the 500-plus pediatric beds in Edmonton, the occupancy rate is only 55 percent. The flip side of that statistic is that at any given moment, 45 percent of the pediatric beds in Edmonton are unoccupied. It is therefore not a question of shortage of beds but rather the level of pediatric care that we want to offer our children.

I do not think any members of the House could argue that a children's hospital for northern Alberta would not improve pediatric care in Edmonton and area. The existence of a hospital would no doubt enhance the quality of care for children throughout northern Alberta.

I believe there are a number of compelling reasons why there should be a children's hospital in Edmonton. One of the most compelling is that by a natural process of selection of staff, everyone from the doorman to the chairman of the board

of trustees would be 100 percent in favour of and dedicated to children. Secondly, centralization of facilities and pediatric beds in Edmonton would create the critical mass of patients necessary to recruit and hire staff with the expertise to care for our children. A children's hospital would also act as a focal point for research, which again would attract talented subspecialists who depend on having a sophisticated facility where they can pursue their goals.

These are very sound and strong arguments for a children's hospital, but are they strong enough arguments for a children's hospital in Edmonton at this time? In a word, yes. They are very strong arguments, Mr. Speaker. If these were the only considerations, I would have no reservation in supporting this motion. There are, however, other considerations, and one cannot look at this issue in a vacuum devoid of priority issues — economics and a children's hospital in Calgary. Alberta, just a few minutes away by plane.

Mr. Speaker, I would now like to examine the level of pediatric care which presently exists in the Edmonton area. Throughout this debate, I have not once heard a disparaging remark about the quality of pediatric care in Edmonton. Quite to the contrary, in the spring debate the hon. Solicitor General, a medical doctor, alluded to a number of distinguished pediatric specialists practising here in Edmonton. There can be no doubt that their work is of world-class calibre. While the level of pediatric care in Edmonton is not optimal, it is of very good quality. It is my belief that the impetus for a children's hospital in northern Alberta is not a result of poor pediatric care but rather the result of a desire to improve and achieve optimal pediatric care for Edmonton and vicinity.

Mr. Speaker, I've heard the argument that if somehow a children's hospital were built here in Edmonton, we would not have to fly children to the east and to the United States for specialty pediatric care. Proponents of this argument argue that we would realize tremendous health care savings if only we had the facilities and expertise here in the Edmonton area. There appears to be some jump in logic with this point because, if this were indeed the case, why are we flying children elsewhere despite that great hospital in Calgary? I think the practice of transporting children to other pediatric facilities outside Alberta would continue even if a children's hospital were built here in this city. This is a result of our smaller population not being able to support and afford the facilities required for many of these operations. It is not, as some might suggest, a lagging commitment to health care in this province on the part of our government.

I would like to turn now to the question of priority. It is clear that all objective analysis points to the fact that in terms of allocating our health care dollars a children's hospital for northern Alberta is not the number one priority facing Alberta today. This is supported by two submissions made to the hon. Minister of Hospitals and Medical Care. In the first submission, made by the planning council in October 1982, they agreed with recommendations made by RPM Planning Associates for a rationalization and consolidation of pediatric care in Edmonton. They also noted, however, that a children's centre must "be prioritized within the total health care system's requirements".

The Minister of Hospitals and Medical Care asked them to expand upon this recommendation and place a priority status on a children's hospital. That is to say, in their opinion, what priority should be given to this establishment of a children's hospital in Edmonton? Last February the council recommended that

departmental priorities should continue to be directed to the addition of long-term care beds and to the upgrading

and redevelopment of existing acute treatment hospital facilities and programs.

They also recommended that a specialized children's hospital should be considered at an appropriate time in relation to the construction of new acute treatment facilities. From the council's perspective, acute treatment facilities are of a higher priority at this particular time.

It is not a case of playing seniors against children, as the Member for Edmonton Norwood suggested in the spring debate on this motion. In fact it is an attempt on the part of the Edmonton Area Hospital Planning Council to prioritize the most pressing hospital and medical needs of Edmonton and area. On the part of government, it is an attempt to act upon any recommendations made by the planning council as it deems appropriate. In fact, Mr. Speaker, this government has made a commitment to build a children's hospital. It has made that commitment. However, the opposition's philosophy regarding priorities seems to be a second-things-first approach. While it may not be as attractive to build acute treatment facilities as it is to build a children's hospital, I believe we as legislators must act responsibly. We should not and will not fly in the face of two reports made by persons responsible for running hospital services in Edmonton and area, outlining more pressing demands than a children's hospital.

It would take some juggling of thinking to push a children's hospital to the top of our priority list when there are so many more pressing needs on that list. I for one am not about to engage in an exercise of mental gymnastics, the end result of which would push a children's hospital to the top of our priority list.

MR. HORSMAN: Mr. Speaker, I hesitate to interrupt the hon. member, but I move that we stop the clock.

[Motion carried]

MR. HORSMAN: Mr. Speaker, in making the motion, I hoped that the hon. member might be able to conclude his remarks within a very few seconds. Then perhaps we could deal with the business for this evening, and I could proceed with the usual motions to adjourn, et cetera.

MR. PAPROSKI: Thank you, Mr. Speaker, if I could be given approximately two minutes.

This is a very difficult time for governments, Mr. Speaker, with tough decisions to make. Priorities must be met within certain financial constraints. The area of health care financing is no different. In recent years health care costs have risen dramatically. The 1983-84 budget for Hospitals and Medical Care was in excess of \$2 billion. In many respects, we are facing a crisis in health care in this province. This is all the more reason to spend our health care dollar judiciously and after a good deal of consideration.

It is for these reasons that I am encouraged by the efforts being made by the Minister of Hospitals and Medical Care to contain costs in this area. A children's hospital for northern Alberta must be viewed within this context. Realizing that a hospital of this nature would be very expensive, there must be a clear and demonstrated need for this children's hospital before we go ahead and build. I believe it would be wrong to construct one at the expense of other more pressing needs, such as acute care. This is not a decision I come to easily. As an Edmonton MLA I am torn between a very real desire to obtain the best pediatric care for the people of Edmonton and a responsibility to maintain a viable and financially secure health care system in Alberta.

While I agree with the merits of the motion and the good intentions of the Member for Edmonton Norwood in introducing this motion, I cannot support it at this time.

MR. HIEBERT: Mr. Speaker, in light of the hour, I move that we adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. HORSMAN: Mr. Speaker, this evening it is proposed to assemble in Committee of Supply to first of all deal with estimates from the Associate Minister of Public Lands and Wildlife; followed by Executive Council, dealing with occupational health and safety; and if there's time, the Department of the Environment.

I move that the House stand adjourned until such time as the Committee of Supply rises and reports.

MR. SPEAKER: Having heard the motion by the hon. Acting Government House Leader that when members reassemble at 8 o'clock they'll be in Committee of Supply, do you all agree?

HON. MEMBERS: Agreed.

[The House recessed at 5:34 p.m.]

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

#### head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

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

#### ALBERTA HERITAGE SAVINGS TRUST FUND CAPITAL PROJECTS DIVISION 1985-86 ESTIMATES OF PROPOSED INVESTMENTS

#### Department of Energy and Natural Resources

#### 2 — Grazing Reserves Development

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

MR. SPARROW: Thank you, Mr. Chairman. This particular program was originally announced in 1976 under the capital projects division of the heritage fund. The prime purpose of the program was to increase livestock production in settlement fringe areas of the province and to provide an increased grazing opportunity for small and beginning livestock producers. It is a 10-year, \$40 million program to develop reserves, primarily in northern and north-central Alberta. Development of these reserves is based on a comprehensive, integrated management planning process. The plan emphasizes grazing but provides

other opportunities such as hunting, recreation, and wildlife habitat enhancement.

Ten reserves are developed and either fully or partially operational. Three reserves are still under active development. They are Sang Lake, Pembina, and Blackfoot. The most controversial thing over the last year, though, has been concern about operating costs in these grazing reserve programs. During the last two years, our staff and the patrons have been taking a lot of effort to try to reduce the costs. As I said, this has been done primarily with the local advisory committees, and our staff are to be congratulated on their participation. They have been setting goals and achieving a very effective operation. To give you an example, last year we projected an increased efficiency of some 48 percent. We only achieved a 42 percent increase in overall operation efficiency. This was done by increasing fees by 15 percent, increasing utilization by 13 percent, and decreasing costs by some 14 percent, for a 42 percent change. In the current year, '84-85, we are expecting further reductions and efficiency. Fees were increased 5 percent this year; utilization increase is projected to be 15 percent, with a further 5 percent reduction in costs, for a 25 percent change. If our goals are achieved during the last two years, we will have a 67 percent better product than we had originally.

A meeting with all 30 grazing reserve patrons, their president, and secretary has been announced and is in the process of being organized prior to going into next year's program. We hope to have this meeting in mid-November. This year we are requesting some \$3.6 million in the 1985-86 trust fund estimates for the continuing capital development of this reserve program. This is the eighth year of the program, and some of the funds this year will be spent on each of the 13 reserves. I should point out that we are currently doing a study on all reserves in the province, with the objective of additional clearing on all these reserves to try to bring them up to full production prior to the completion of the program.

Mr. Chairman, during the committee we covered all aspects of the program more fully and had a very good discussion. This has been a very popular and well-received program for the province of Alberta, and I'm prepared to answer any questions.

MR. JONSON: Mr. Chairman, I'd like to start off by commending the minister for the work he's been doing with respect to developing policies for better operation of the reserves and for increased efficiency. In the reserves that are in or near our constituency, the feedback has been that that is certainly the case and that improvement in management policy is appreciated.

I do have four questions I would like to pose to the minister. The first two are rather specific and somewhat local in nature. A concern has been raised with me about the policy with respect to the pasturing of sheep and cattle on the same land, within the same reserve. I'm not here trying to revive the cattlemen and sheepmen's wars of decades past, but there does seem to be a concern with respect to the diseases that are specific to both types of animals. There is concern between the two groups of owners over diseases that might be transferred through the use of the same ground by sheep and cattle.

Secondly, also of a local nature, Mr. Chairman, there are some concerns — perhaps it's a misunderstanding in the area — about the nature of the governance of the Rocky Mountain grazing reserve. I would like the minister to respond, if he could, to just how the utilization of the limited area of the Rocky reserve that's open is currently being worked out with respect to the different surrounding areas that want to have livestock put into that reserve.

The other two questions I'd like to pose are of a more general nature. First of all, there is still a concern expressed to me about the difference in rates that users of land in the west country experience between the cost that is necessary to be charged for private pasture — and many people depend upon that particular kind of income — versus the rather, in their view, subsidized and lower rates that are available on the reserves. I understand there has been an effort to bring those rates closer together and to make the two more competitive, if the term is correct, but I would like the minister to respond on the progress that's been made there.

Finally, Mr. Chairman, I would ask the minister to elaborate a bit upon the utilization situation as far as the reserves and future reserves are concerned. I've had given to me the view that we have about all the grazing reserves we need in this province and that if further land is to be developed, perhaps it should be put out for lease or sale. That might be quite popular and viable. There is the view that there is a balance right now between the amount of grazing reserve land in use and the demand for it and that rather than put more land into use under the grazing reserve program, perhaps there are some other alternatives that could be considered.

As I've said before, Mr. Chairman, I think the work that has gone on in managing the reserves in the last couple of years has been very good, and the policy is appreciated. I would appreciate response to those questions.

MR. MARTIN: Mr. Chairman, just a couple of short questions in one of my new portfolios. I'm told that this has generally been a good program. I believe the minister said that we are in the eighth year and there are two more years. Following from that, I'm just curious about how much total land is involved at this point and how much more potential land will be used for some potential expansion, say in the next two years. Is there any planning at this time by the minister's department that this program might be continued beyond the 10 years, or is it finished for sure at the end of 10 years?

MR. LYSONS: Some of my questions have been asked. Mr. Chairman, I wonder if the minister could tell us how many acres in the current year are developed and the average cost per acre of developing these reserves. As another member has asked, would it be possible for them eventually to be purchased, and does he have the figures on value per acre that they receive in rent on these lands? The other questions have been asked.

MR. STROMBERG: Mr. Chairman, I've had discussions in the past with the minister with regard to the community pastures that lie west of the Camrose constituency. Of course, I speak now of Medicine Lake and Buck Mountain. Buck Mountain is one of the few community pastures that is self-sustaining. They have the lowest rate of pasture.

However, in the Camrose constituency, we have perhaps — I'm going to hesitate to say how many, but I'm going to take a ballpark figure — 30 constituents who are now using both Buck Mountain and Medicine Lake. We have situations where perhaps three-section farmers and their sons have a quota of some 75 cows there. The demand for these pastures is just unreal. Every year I get complaints that they can't get into these pastures.

I guess the problem boils down that if you're farming land that has a value of over \$1,000 an acre and you're going to go and fence this land, you're running into expenses of a couple thousand dollars or more a quarter to fence. It's far cheaper to move your cows and calves out in the west country, where you

don't have to look at them until sometime in October. The veterinarian work is taken care of; everything is taken care of.

But how does the little fellow — the young, beginning farmer — get into this system? How does he get on the waiting list? Of course. I realize that last year you cut the quota in Buck Mountain. However, we also hear rumours from their association that some people in the area of the Buck Mountain pasture would like to see this land sold back to them after it's been developed, after the ratepayers of Alberta and the government have put all of that investment in there. On the other hand — and I'm not trying to be negative — once in a while we go out to Pigeon Lake, and we do a little fishing and meet with some good people out there. They tell me that they can't rent pasture, when you can rent pasture in Buck Mountain for considerably less than \$10 per head per month.

I understand that there are a number of community pastures in the province almost at the stage of being vacant, especially in the Peace River area. But that's none of my business.

Mr. Chairman, what I would like to suggest — and we have talked this over with the minister — is that if you have had cattle in one of these community pastures for a period of maybe five years, surely to gosh at the end of five years you have yourself established. Surely by that time you have some water wells drilled. Surely you could have gone to the PFRA and got some dugouts. But what about that beginning farmer who has to put every acre he has into canola, into wheat, and has to make his payments? Cattle is not all that prosperous sometimes, but it's the best hail insurance policy you can have. If you get wiped out in a disastrous year by drought, drowning out, or being snowed under, at least if you have a herd of cattle out there your bank manager won't throw you down the steps or out the window. You have some security.

I would like to make the recommendation that you set up a policy that you can only rent in a community pasture for five years. If there is a waiting list for people to come in, sorry, you've had your chance. Let the young farmer come in and get his herd established. I hope you're following what I'm trying to say, and I would like your comments on that, Mr. Minister.

Thank you.

MRS. CRIPPS: Just briefly, Mr. Chairman. I wasn't going to say anything on this until I heard the Member for Camrose indicate that some of his constituents have three-section farms and 75 head of cattle in the community pasture. Quite frankly, that's always been the complaint of the residents of my constituency, whose only salable crop happens to be cattle. They can't grow canola, and they don't have vast three-section farms to plant wheat on and somebody to look after their cattle all summer. So the major complaint that we in the constituency have is that these cattle are being pastured at excessively low prices.

I recognize that the minister has done a great deal to make the pastures self-sufficient. But I know that this year particularly, by increasing the numbers and having a couple of early snowfalls, the grass is gone. There are other problems that increasing the numbers is going to continue to create in the long term. You simply can't be assured of pasture in the west country from May until sometime in October. In fact, if you haven't got new pasture to turn the cattle into in September, you're out of pasture. That has been proven year after year.

AN HON. MEMBER: Where'd you learn that?

MRS. CRIPPS: Well, you go look at the pastures.

I have a recommendation I'd like the minister to think about too; that is, if the majority of the farm income is from cash crops such as grain or canola, maybe they should review whether grazing reserves are necessary for those particular people. Maybe that's a consideration he can give along with the Member for Camrose's consideration.

DR. ELLIOTT: Mr. Chairman, the whole role of grazing reserves is of course extremely important in the part of Alberta that we call the Grande Prairie constituency. It involves quite a number of our ranchers in the use of this land. I wish to compliment our minister for the program that he has going and the number of people who are influenced by it.

Of course there are several questions as these programs develop and as more people become involved. As time passes, land gets a little more scarce and competition gets a little keener. Many of the questions arising from the use of grazing reserves and the policies include such things as the multiple use of the land, including such industries as forestry, the cattle people, the trappers, and people who want to use the land for recreation. Ducks Unlimited seem to have certain controls — the regulation of the hunting season.

What all this leads to as far as this discussion is concerned, Mr. Chairman, is the budget for the administration and the management of these programs. I sense dissatisfaction among some of the people involved in grazing reserves because of possibly inadequate administration of some of the policies. I was wondering if the minister might have a comment about that, with respect to the proposal here.

Another question deals with the amount of funding that would be provided for certain programs within the grazing reserve program. That would include things like predator control. What is the role of the department in predator control and the funding associated with that? Some people feel it's underfunded.

We've recently experienced an increase in rates for the use of grazing reserves. I was wondering if the minister would comment about possible increases and when they might be, if some are suspected.

MR. DROBOT: I would like to take this opportunity to compliment the minister on his initiative in making the grazing reserves, community pastures, more financially stable. The setting of these reserves has done much to assist the small farmer in northern Alberta.

Firstly, these reserves are on land that was homesteaded and abandoned after there were jobs available during the war years. The land is in most cases submarginal and should have never been homesteaded in the first place, allowing people to break the sod and try to grow grain and make a living. The policy of land assembly, sowing to grass, and making it available to small farmers to supplement their income was a great step and very well intentioned. Many of those farmers use this pasture to put cattle on, and they bring them home in the fall. They are able to raise the forage, but they are not able to have enough land to pasture these cattle. There is a maximum of 50 cows per individual, and in many cases we have 10 to 25 cows per farmer.

In regard to the hon. member who said he was wondering if there was much profit in the cattle business, I would like to say that there is one thing: the pleasure of the old cow's company is worth something. As many of the old-timers said: if you want to get through an economically tough time, hang on to the old cow's tail; she'll pull you through the mud hole.

I think we have many people who don't understand agriculture and the requirements of the small farmers. What would

you do with all these people? When they are on small farms they are efficient. The grazing reserves do provide a place for wildlife and game as well.

I compliment the minister on his initiative and on continuing that policy.

MR. CHAIRMAN: Are there any further questions or comments? Perhaps the hon. minister wishes to respond now.

MR. SPARROW: There are quite a number of concerns. I'll try to address them in the order they were received.

With reference to the Member for Ponoka and the question of pasturing sheep and cattle, it is a policy that we do not pasture them on the same field at the same time, although we do have sheep on four of the 30 reserves in the province, primarily along southern Alberta and along the Rocky Mountains. At times of the year, though, we do bring the sheep into pastures that the cattle have been in, with the effective usage of all of the medical supplies. We have not run into a problem on any real disease program in the last couple of years. I can assure the member that we're continuously watching for it, and veterinarians are called in at the first sign of any type of disease. I think the problem has been taken care of. In one or two of the reserves they've separated fields and only allow sheep on certain portions of them, although in some areas we have mixed them.

The Rocky Mountain House reserve is a new reserve that was set up. Normally our staff on any new reserve are the ones that act as the advisory group, picking the first group of patrons. Then as soon as those patrons are selected, an advisory committee is selected from those patrons, and in future years they operate. In the case of Rocky Mountain House reserve we did something a little different. We had three different agriculture societies or groups of people in three different areas, and we took at least two members from each of those groups, along with our staff, to be the first advisory committee, to allow the public to have some input on who was going to be allowed into the reserves. I haven't heard how well that has operated, and I'm looking forward to a report at the end of the year from our staff on their first year's results of that new change.

He also asked about the rates of the reserves and the increases compared to private land. That is always a concern. It's a continuous concern to my department to try to upgrade and increase the price of our Crown lands to try to come closer to the private-sector market. Especially in the last two years, we as a government have been trying to maintain a very minimum increase in any program. We're quite a way behind that private sector, although I do find in the last survey taken that the private sector's coming down and getting closer to us in some of those rates. The same has been effected with farmland sales; as the value of those farms go down, the value of the rental rates go down.

He questioned the utilization of the reserves and whether or not we need more reserves or more leased land. There is no planned expansion from the 13 reserves that are in the program. We do put out a fair amount of grazing land each year. Over the last 10 years this has amounted to about 300,000 acres per year. Of that, about 150,000 acres is returned by lessees and reposted. I think both programs are necessary and, from the comments we've had on the grazing reserves, a lot of people do use them.

The Member for Edmonton Norwood is concerned about planned future expansions. Presently these reserves cover approximately 250,000 acres of land. Of that 250,000 acres, about 81,000 acres have been developed or are in the process of being developed on those 13 reserves. We have not designed

an expansion to this program after year 10, and I presume in the years to come we will be looking at that very seriously. If we can maintain our operating costs at a break-even point, our objective then could be to spend the money we do have available to expand and open up new lands, rather than paying a deficit on the reserves. Because our operating deficits were growing each year, the objective of trying to make the grazing reserve program operationally break-even has been seriously looked at. We have that deficit going down, and now we can look at the future of the capital aspect of it.

The Member for Wainwright asked some very pointed questions. I don't really compare the costs, and I don't have the current cost per acre of these reserve programs with me. But now that I do have his questions. I can and will undertake to review *Hansard* and make sure I answer those very specific cost per acre ratios that he asked for.

Our Member for Camrose referred to Medicine Lake and Buck Mountain and the number of patrons that he has in his area. When Buck Mountain, especially, and some of the older reserves were set out, patrons came from quite a distance to get onto them. In my constituency, Wetaskiwin, I have similar concerns from patrons. The process should be eliminated this year, though, because in that area we do have three new reserves opening up and a very large one in the Pembina coming on stream next year. Medicine Lake and Rocky Mountain just came on stream, so I think it will create more opportunity in central Alberta. To cover the concerns of the members for both Drayton Valley and Camrose and of the patrons of the Member for Wetaskiwin-Leduc, we have been able to accommodate a lot more people by the increased utilization of the reserves and trying to bring them up to their maximum utilization.

This year we did install a program for our northern reserves to make sure that anybody who wanted to get on them could do so. We set up a mileage subsidy program, whereby if you were so many miles away from a reserve, the local patrons had a certain date to fulfill or any Albertan could get in within that first time frame. After that time frame we allowed a reduced rate per animal unit month as a way of encouraging people to truck cattle a longer distance. That did work, and we were able to say that all our reserves this year are up to what we feel is their capacity. With the new reserves coming on next year, that increased utilization should take place again.

For the Member for Drayton Valley, we're trying to get those costs down to an effective rate so they're not competing with the private land around them. Like everyone else, we do have to take the risk of early snowfalls and lack of grass in the spring. We hope that we don't have a major problem. As the Minister of the Environment said earlier today, it's all going to go away and we're going to have a real green patch of grass for Grey Cup weekend. Hopefully we'll be able to see that grass again.

The Member for Grande Prairie was concerned about multiple use, and that is a concern of ours. When the grazing reserves first got going, the advisory groups on each reserve became primarily farmers and the patrons were cattlemen. Not enough attention was put onto the other types of uses. Now that we're having pressure put on to get the utilization and the costs under control, they are the ones saying that those other people aren't paying their way and encouraging them to participate and come forward and use the reserves. For instance, in several areas this year we're using reserves for the pheasant-release program, and many hunters are using them. We're going to be looking at making the managers of each of these reserves get involved in our Fish and Wildlife department as wardens, putting them through courses so they can assist our Fish and Wildlife officers in their off-duty times, and trying to get them

more interested and involved in the Fish and Wildlife habitat programs that could take place and the recreational users that could utilize those reserves. We're getting a lot better co-operation from the multiple use concept now than we did before. I think it's because the concentration was primarily grazing and the people involved were primarily involved in grazing.

I'm not projecting any increase in rates. You were asking about that. I said to all of our grazing reserve associations that if they get their costs under control and meet the break-even point, we will not consider increased rates. We will consider increased rates for those reserves that do not get their operating costs under control and try to meet their budgets. If we have increased rates in the future and your reserve is breaking even, we will not increase your reserve. So encourage your patrons, fellows, to get their costs under control, and there won't be any increase in rates. So we'll turn the ball back to you, and let you be the judge of whether I should increase the rates. It should be the last thing we do; we should cut our costs and try to get a better utilization factor first.

I'd like to compliment the Member for St. Paul. I met with him and his grazing association at a meeting and had very good discussions and have had meetings with many others. I'd like to thank the member for his kind remarks, and again I would like to say thank you to our staff and to the patrons who have worked through the last years trying to get a better and more efficient program.

Thank you. I think I've addressed most issues, Mr. Chairman.

Agreed to:

Total Vote 2 — Grazing Reserves Development	\$3,685,000
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MR. CHAIRMAN: Would the hon. minister like to move that the vote be reported?

MR. SPARROW: Yes. I'd like to move that the vote be approved.

[Motion carried]

#### Executive Council

##### *Workers' Health, Safety and Compensation*

#### **1 — Occupational Health and Safety Research and Education**

MR. DIACHUK: Mr. Chairman, I take pleasure in just giving a bit of a review of this program and will not belabour my colleagues, because I know they're aware from year to year of this grand program under the occupational health and safety division of my department.

I want to say that the occupational health and safety heritage grant program, a \$10 million investment of the Alberta Heritage Savings Trust Fund, was established in April 1981. This is an eight-year program under the auspices of my portfolio. The grant program, which was designed to complement services of the occupational health and safety division, encourages the participation of both employers' and workers' organizations with the educational institutions in order to do research with regard to health and safety concerns.

The occupational health and safety heritage grant program is a support to other research, really, because it's only a portion of the research that's being carried out in this province. It supports the training and education activities of the organizations that are interested in it, be it employer or worker union organization. To meet these objectives, the grant program offers

awards in three major categories: research, education, and conferences. In the research area, Mr. Chairman, the grant program supports the scientific activities that usually come under the auspices of postsecondary institutions. That is usually directed to increasing the understanding of occupational health and safety problems, also to develop and assess new strategies and approach these new directions from their findings. Funding in the education category sponsors the development and evaluation of new and innovative educational programs.

May I only indicate, Mr. Chairman, that a number of factors are taken to ensure that the grants are awarded and monitored in what I believe is a very highly responsible manner. This is done through an interdepartmental committee consisting of representatives. For the record, the chairman, Dr. Bob Orford, is from the occupational health and safety division. Serving on that committee are: the assistant deputy minister from the support service division of Alberta Labour; the manager of the occupational health and safety branch from the office of my colleague, the Minister responsible for Personnel Administration; from Alberta Environment, the director of standards and approvals; from the Workers' Compensation Board, the executive director of administration; from Alberta Labour, once more, the assistant deputy of support division; from Advanced Education, the director of health and social service programs. In addition, several members of my staff provide the resource to the committee that has been dealing with these grant programs.

The select committee from the Legislature reviewing the heritage fund had made a recommendation that we add an outside representative from labour and an outside representative from the business community to complement the present approval committee. I can only assure you that I welcome that. I think we've now got it in a position that the rest of the members will welcome the participation of two, or maybe four, additions. I have already shared some of it with the labour and industry representatives on the Occupational Health and Safety Council and hope to make some appointments possibly within the next two months, by the end of the year, to add to this interdepartmental committee to continue the approval in a very responsible manner, as I indicated.

Mr. Chairman, I can only add that for the last several years we've been within budget. However, we do get more applications than we can fund. That is good, because we're able to really accept the well thought-out applications. My staff have met with some of the applicants, and if there was need to correct or modify their application, it would come possibly in the following year. In most cases we've been quite successful.

With this short presentation, I can only assure the members, as I indicated at another function today, that all of the findings of these grant programs we have funded through this appropriation are not only shared by Albertans. Because the occupational health and safety branch of our government is a member of the Canadian centre in Hamilton, all of the findings and material is available to all employers and workers in Canada through the Canadian centre. So here's another example of a program funded from the heritage fund that is a benefit to all Canadians, not necessarily only Albertans. To date, all of the projects have been in Alberta or carried out within Alberta by applicants and approved people. They're not necessarily from Alberta — we've had some of the resource people come from some other provinces — but they've all been on projects within Alberta.

MR. MARTIN: Mr. Chairman, as a member of the heritage committee, I might note that we have gone through one of the recommendations before we even tabled the report. We appre-

ciate the minister jumping on it, because I don't think the report has even been tabled in the House yet.

I think it is a positive thing. As I recall, one of the criticisms — and I think the Member for Lacombe would agree with me, because I think he brought it up — is that we're always concerned about how it is getting out to the workplace. There was a concern that sometimes research and education are nice, but if it's not getting down to the workplace among the people who are actually affected, then it's probably a waste of money.

My questions deal with that. I know that I asked this last year, Mr. Chairman, but I guess the proof is always in the pudding, in terms of statistics, for example. How are we doing in terms of the rate of deaths in the last three or four years, or what are the statistics that we now know? I know you can't base that strictly on research, but the whole ultimate gain for this research is, hopefully, to reduce accidents and deaths on the job. So I was just wondering if the minister had any recent statistics dealing with what's been happening in the workplace, say in the last year. If they have the most recent ones for this year, is that in fact going down, and how might this relate to getting that down?

The other question I have of the minister — and I know it's not happening now — I am just wondering, from travels that we had, if there's any recent consideration to looking at any other ways of dealing with research as part of this program or another program. I'm thinking, for example, of the health and safety centres in Manitoba. Is there some thought that perhaps that might be a direction to go in the future? Has there been any recent thought, if I could put it that way, in this direction? So with those couple of questions, I leave that with the minister.

MR. HYLAND: I wonder if I could briefly say just a few words. It relates to the discussion that was carried on with the minister during the trust fund hearings and to the recommendation of the hearings afterwards. That was related to the board — I'm not sure what the right name for it is — that looks after this amount of money and decides what projects are to be carried out.

The concern that was expressed, Mr. Chairman, was that most of the other boards appointed to carry out these projects — for example, Farming for the Future is at least three-quarters composed of producers or users of the service and one-quarter of professionals, either departmental, university, et cetera. I wonder if the minister has some comment related to the suggestion in the recommendations of the trust fund committee that a large portion of the board be those in the industry, union reps, et cetera, who would be on that board and would advise what projects would be carried out.

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

MR. DIACHUK: Mr. Chairman, if I may, last shall be first.

I guess the hon. Member for Cypress was preoccupied there. I did indicate — as the hon. Member for Edmonton Norwood acknowledged, I've already jumped the gun before the report — that yes, I've taken that. I think it's a good recommendation from the committee.

Even though the recommendations haven't been tabled, it's been communicated to me by my colleague, the MLA for Lacombe, who is a member of occupational health and safety. I think it was worth while, particularly at the time when we're now nicely into the program. I intend to add some members from labour and the business community to the approval committee by the end of the year because the time is now coming

to review some of these projects that have been approved. It'll be excellent to have some outside talent, and that will be done not with haste but as expediently as possible.

With regard to the questions raised by the MLA for Edmonton Norwood on statistics at this time, the program was only approved in 1981. Sure, we've had a reduction in fatalities that the Workers' Compensation Board has reported, but I wouldn't want to say that it's as a result of any program. I think we really need a number of years, maybe as many as 10 more, to say that there's been a reduction. The reduction we would be pleased to see is in occupational diseases, because that is one we can prevent. We all accept that accidents will happen, whether they're compensation claims accepted due to travel, due to a collapse, or anything. We're also addressing some of our research in that area. The appropriation made to the Alberta Federation of Labour was basically to instruct some leaders in working and developing safety programs and safety committees, because we want the worker to be aware of safety. So I regret that I can't assure him that the reduction that has taken place or the drop in fatalities is as a result of this.

I would be misleading members of the committee by trying to indicate that, yes, we've already had a reduction. The reduction might be because of fewer workers in the work force; that might be it. It might be that workers are more cautious because of the fact that they may not have a job someplace else if they do things carelessly. Employers are a little harsher on workers who are careless; I'm advised that workers are therefore paying keener attention.

So I don't think we can really look at the statistics and say that we've had some proof. But the results we are coming up with with regard to occupational exposure are being received very favourably by other jurisdictions. The Canadian centre is another avenue where we are able to get some reaction to the research or educational programs that have been carried out. It is not limited to research. This program is also available for education. The greatest portion of the AFL grant program was for education.

How is it getting out into the workplace? The occupational health and safety division try to monitor and to review from time to time through our publications. By addressing and communicating with all of the workers' organizations or employer organizations, I try to make them aware of this program, that these approvals are here. We advertise the completed programs through our publication. It's all available. I only hope we are successful. I would welcome any other suggestions so we can get the information about safety that has been researched. Whether it's exposure or the type of material that a worker uses, we're trying to get that information out through our regular publications.

May I add that we are also endeavouring and very early in 1985 hope to have a joint publication of occupational health and safety and Workers' Compensation, rather than having two separate ones. It wouldn't be duplicating; it would be combining the resources of Workers' Compensation and occupational health and safety people, and then providing that bulletin or periodical, which goes out every two months, in one package instead of two. That might improve the readership, and it might improve the interest of people who receive it, both workers and employers.

Agreed to:

Total Vote 1 — Occupational Health and Safety Research and Compensation	\$1,000,000
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MR. DIACHUK: Mr. Chairman, I move that this vote be reported.

[Motion carried]

### Department of the Environment

MR. CHAIRMAN: There are three votes for the proposed investments for 1985-86 and also one supplementary estimate for the current year.

#### 1 — Irrigation Headworks and Main Irrigation Systems Improvement

MR. BRADLEY: Mr. Chairman, I'd like to give a brief status report with regard to this very important program of upgrading and rehabilitating the major irrigation headworks and the main irrigation systems in southern Alberta. I think it's a particularly useful investment, given the very dry conditions we've had in southern Alberta this year, and proves the worthwhileness of this type of investment.

To date approximately 61 miles of the St. Mary River Irrigation District main canal have been enlarged and rehabilitated. The diversion headworks in the Oldman flume in the Lethbridge Northern district have been replaced, and replacement structures on the Willow Creek, Rocky Coulee, and Keenex Coulee sections will be operational by 1985. Approximately 23 miles out of a total of 50 miles of the Lethbridge Northern Irrigation District canal have been rehabilitated to date. Work will proceed in the next year with regard to the Keho Lake off-stream storage reservoir which will see that expanded from 42,000 acre-feet of storage to 75,000 acre-feet of storage. I might note that there have been delays in this particular off-stream storage reservoir project due to land acquisition delays. Work has progressed this year in the Eastern Irrigation District with the construction of a 90,000 acre-feet off-stream storage reservoir to serve the Eastern Irrigation District. In the Bow River Irrigation District a 42,000 acre-feet off-stream storage reservoir known as the Badger reservoir is near completion.

Mr. Chairman, these projects are very important in terms of the upgrading of the works in southern Alberta and will add to the stability of the economy of southern Alberta. They will increase the efficiency of water use in these particular irrigation systems and provide for future expansion of irrigation in southern Alberta plus supplying water for multiple purposes in southern Alberta. With those remarks, I welcome questions.

MR. MARTIN: I have a number of questions. I suppose a couple of them are philosophical, but I think it's worth raising them in the Legislature and hearing what the minister has to say.

The first has to do, I suppose, with water as a resource — if we consider it a resource. I know this argument has been made before with the minister, but I think it's an important one to make again. If it's a resource like other resources we have, perhaps it is worth money, if I can be that blunt about it. I know the minister has rejected this; I heard him talk with the Member for Edmonton Glengarry at a heritage meeting. But is there any thought about looking at it as a resource? I've had some time to think about the feasibility of metering water again. We hear a lot about the waste of water; certainly nobody wants to make it economically unfeasible, but it seems to me that this might be a deterrent, if you like, to waste of water and, if we're wasting water, the need to bring in more irrigation systems. I don't think it's necessarily a thing to reject right away. Water is a scarce resource all over North America. I know the minister is well aware that in the United States they say that could be their next major problem in some areas. It seems here that we are going in the other direction. I would like the minister to comment on that.

That gets us into another whole area. As we go into more and more irrigation projects, of course, we're adding a cost. The minister is well aware, as all of us are, that there'll be rehabilitation costs at some point, as we're facing now. My second question flows from that. Are there consistent cost/benefit criteria for irrigation projects? In other words, what makes it feasible, and is there a look at the future, when we expand, about what the costs might be in terms of rehabilitation?

The other area I'd like to go into is not specific, but it might be into the heritage. I would ask the minister if it is the intention of the government to bring the money for the construction of the Oldman dam out of the heritage trust fund, or is it going to come out of general revenues? If it comes out of the trust fund, it would be under this vote.

Tying in with that, Mr. Chairman, a final point would be the situation in terms of money that we're dealing with. I know the minister alluded to it today, but there was a specific story, I believe in *The Lethbridge Herald*, that the Peigans had offered some money. It was reported, and perhaps the minister could comment on it, that he couldn't put a price tag on it when he was talking. Now that may be misquoted, but surely there is a price that the minister can give us to clear up the situation with the Peigans at the Oldman dam. My question is that, but specifically, are we looking at the future out of the heritage trust fund out of this vote with the Oldman dam?

MR. HYLAND: I would like the minister's comments on the main canal construction on both St. Mary's and Lethbridge Northern and the engineering on those constructions. I believe the Lethbridge Northern is mostly done in the department for the majority of the main canal construction. The St. Mary's and other construction is done by private contractors. Are we using basically the same contracting engineers? Are we basically using the same core of engineering firms, or are we continually retraining people so that it takes a little longer and costs us more money, percentage-wise, for the engineering?

The next question would be on these engineering groups. Maybe this question could be asked to the Minister of Economic Development, but I'd like the Minister of Energy and Natural Resources' comments on it too. Are we able to export some expertise in this area, where we've had groups face various problems related to working in the wet and frozen ground through the winter season when they are trying to repair and rebuild these canals? I know some of the engineering firms had a lot of problems with the first construction. There were some things that were done that hadn't been done before. I wonder if this has been an advantage and if these engineering groups are, with the department's help, getting together and sharing their findings and their expertise so that it doesn't continue to cost us more money to retrain them.

I'd also like to ask the minister if, to the best of his knowledge, the main canal construction for St. Mary's and Lethbridge Northern are on stream. I know Lethbridge Northern has problems with Keho, but I'm just wondering if the rights of way, et cetera, for both outfits are on stream as far as the main canal construction is concerned. Where does the minister see Forty Mile reservoir standing? When does he expect the decision to be made for that? I well realize, because I toured the Forty Mile syphon site that was constructed out of this funding this year — and for the information of the minister, that is now in operation. I think it had water running through it for about 10 days at the last part of the irrigation season.

Another project that I had the privilege of touring is the Badger reservoir. I wonder if the minister could comment on that project and the other main canal projects. Are they rea-

sonably close to on-budget and on-cost? Are they on target for completion? Through a tour that I spent with the engineering group and the Bow River Irrigation District representatives, my understanding of Badger is that it is. I'm just wondering if the rest of them are.

Those are the questions I have, Mr. Chairman.

MR. MUSGROVE: First off, on behalf of the Eastern Irrigation District, I would like to compliment the department on the reservoir recently completed through the Department of the Environment. This certainly is going to complement the acres already irrigated in the EID and actually expand the number of acres that they can irrigate.

Mr. Chairman, for the past few years I have heard questions and comments about inter-basin transfers of water. I believe that the Department of the Environment is doing a good job in attempting to make available to us all the water that is available in our own water system, without worrying about inter-basin transfers. It's been brought to our attention recently that we're only using about 65 percent of the water that's available to us through the Saskatchewan River system, according to the agreement that we have with Saskatchewan. By upgrading and expanding the size of our canals, we can use more of the water that is available to us, because that water comes down through the system in a few weeks in late spring and early summer.

I also have to compliment the minister on the announcement, although it's not part of this allotment, of the Three Rivers dam on the Oldman River, which is part of the Saskatchewan River system. I'm a great believer in on-river storage of water, for the simple reason that because the water comes down during a short period of the year, we can dam up the water that is rapidly coming down the system in a short period of time. Our canals at the present time are not of the size that would allow diversion of all that water into our off-river storage systems. Off-river storage, however, is very important, because there's not enough room in the river systems to store whatever is available. It also makes a nonconsumptive use available to those people who are looking at recreation, commercial fishing, and parks.

With those few comments, Mr. Chairman, I thank you very much.

MR. BRADLEY: The hon. Member for Edmonton Norwood asked a number of questions. Basically he raised a philosophical question as to whether there should be a charge for water. It has not been the policy of this government to implement a charge for water. There is a small charge with regard to hydroelectric projects, but it's not significant. I think you cannot really put a value on water, and our policies have been to supply water to the people of Alberta and not in any way put on a royalty or charge people for the use of our water.

With regard to specifics in terms of metering of water, that is a useful suggestion. In fact the department encourages the metering of water in municipal supply systems. We are going to be encouraging the irrigation districts to look at metering of their water in terms of their major turnouts. We believe this is a useful approach with regard to conservation of water. It should be recognized that irrigation districts themselves assess each of the irrigation farmers an annual fee which would be far greater than any suggestions I have ever heard with regard to what an appropriate charge for water would be. They charge on the basis of the number of acres on which the particular irrigation farmer has a permit to irrigate. It is a significant charge and covers the cost of the operation of the particular irrigation district. We're not looking at charging for water.

The member mentioned his concern with regard to future rehabilitation costs. I think it would be fair to say that in the programs of both the Department of Agriculture and the Department of the Environment one of the major thrusts with regard to this expenditure is to prevent the need for future rehabilitation. There is extensive lining of these canals taking place, which is fairly expensive. One of the major thrusts behind this current program is in fact to rehabilitate some of the problems that have occurred in the past, specifically leakage from these major canals. We're doing that with the lining. This is also preventative in terms of the future and the life of these projects, so I don't anticipate that there will be significant rehabilitation required, given the nature of the investment that we're making here today. I should only say that in terms of cost benefits, in terms of the specific projects which we are proceeding with, the cost benefit has been estimated at a one to three basis.

There are various types of cost/benefit analyses. We have gone through this debate several times in this Legislature, but we feel the cost benefit of which we've been advised by our consultants is appropriate with regard to these projects.

With regard to the Oldman dam project, the member asked whether it would be coming from the Heritage Savings Trust Fund. At this point in time the allocation is anticipated from the General Revenue Fund of the province. He mentioned something with regard to a *Lethbridge Herald* article. I'm really not clear exactly what the hon. member meant, but I think I recollect the argument. When the government announced the Oldman project, one of the reasons for the selection of the site was that in terms of the construction and reservoir costs, the site on the Peigan Indian Reserve at Brocket was some \$72.5 million more than the reservoir and construction costs at the Three Rivers site. In terms of their representations to us, the Peigans had identified a number of other items which they wished to negotiate which would have added some substantial figure to the overall cost of that project. I'm not able to suggest what that figure would be, because it would have to have been subject to negotiations, but our determination was made on the basis that the extra costs with regard to looking at the Brocket site made it such that our decision was to go with the Three Rivers site.

The Member for Cypress mentioned a number of points, in particular with regard to the engineering being done on the St. Mary River Irrigation District and the Lethbridge Northern Irrigation District. Yes, most of the work on the LNID project was done in-house by department engineers. I must advise the House, though, that a substantial amount of work with regard to the LNID was subcontracted to the private sector.

With regard to the St. Mary project, there have been a number of different reaches of that particular project. It was our thought that given the number of engineering firms in the province, we would give a number of them opportunities to do some of the engineering work. There has been some integration of the work that has been done. There has been an exchange of ideas and information with regard to specific engineering design. The member alluded to some of the difficulties in terms of winter construction. There has been some new technology developed with regard to some of this work, and there has certainly been a sharing of this information among the various engineering firms doing the work. With regard to the specific, the fact that we have engaged a number of engineering firms has increased the cost of the project, but we felt it was proper to do so, given the number of engineers in the province, rather than to just give all this work to a single engineering firm.

The member asked whether there had been benefits with regard to this work. Yes, there have been. As I indicated, the type of canal lining that has been done has developed some

new engineering technology, some new type of machinery, which is certainly an exportable commodity and will, I believe, put us in the forefront in the world in terms of this type of work in this type of climate.

The member asked as to the status of our acquisition of lands. The only delay that I'm aware of has been with regard to the Keho Lake project, and we are proceeding, through the Department of Public Works, Supply and Services, to acquire the outstanding land for Keho. I'm not aware of any delays with regard to the St. Mary canal or the LNID canal.

The member asked when the Forty Mile Coulee reservoir project would be initiated. I might just relay where we're at with regard to that specific. Last year it was realized that we would only have a certain amount of funds to apply to the whole program — a limit had been set at some \$60 million a year for the next three years — and that we would have to prioritize our work. We anticipated that last year we would be able to proceed with the Forty Mile project and with the main canal in the St. Mary River Irrigation District at the same time. Given the limitations of funds, we had to prioritize our work. We had consultations with the board of the St. Mary River Irrigation District, and the result of that consultation was that our priorities should first be with the main canal. I anticipate that perhaps in the summer of 1986, at the end of this three-year period, we'll be able to make a decision as to when the Forty Mile Reservoir project would proceed.

The member also asked about some of the other projects that are taking place in other irrigation districts. I'm advised that both the Badger reservoir, which is in the Bow River Irrigation District, and the Crawling Valley off-stream storage reservoir in the Eastern Irrigation District are on target in terms of their completion dates. I believe they will be operational for the next season. A number of these projects have come in under the original engineer's estimate; I think in particular we found that with the Crawling Valley project and with some reaches of the main canals.

The Member for Bow Valley raised a number of points. Basically he agreed with some of the direction the department is taking. The specific which he mentioned is the utilization of water within the existing river basins. That matter will be the subject of a hearing by the Water Resources Commission on the South Saskatchewan River basin planning program. I appreciate that the hon. member is aware of that, and I would encourage citizens in his area to make representations to the South Saskatchewan River basin program.

With that, Mr. Chairman, I believe I have answered the questions which have been addressed.

MR. MARTIN: I would like to raise just one other point with the minister. It has to do with a study I believe the Minister of Agriculture, was talking about, the technical report on irrigation development in Alberta. One of the things they brought up which I think is quite serious — there's not much we can do about it now — had to do with the major cracking and heaving paid for because they've used canals designed in the States: it's on 9.2 here. I'm just wondering if this has been taken into consideration and that in the future irrigation canals will be made in Canada and not from the United States so we won't run into this problem again. Is the minister aware of the report I'm talking about? It's on section 9.2. I can send it over to him if he likes, Mr. Chairman. As I said, this is already there. They say here:

A typical example has been in the use of unreinforced concrete to line canals primarily for seepage control. In about one-quarter of the 250 km of concrete-lined canals

in the districts, cracking and heaving has been serious enough [to warrant] removal or extensive repairing.

They give the reason as being that "the design for these lined laterals was imported from the USA where freeze/thaw cycles are less abrupt". In terms of money coming out of this vote, are we aware of this now, and is it coming from Canadian designers, hopefully Alberta designers, so this problem wouldn't occur?

MR. BRADLEY: Mr. Chairman, I think the hon. member is referring to a report which was done for the Alberta Irrigation Projects Association, and it's in some of the technical reports. I haven't looked at that specifically. With regard to the comments of the hon. member, I think what is being referred to is work within the irrigation districts themselves. There are no concrete-lined canals that I'm aware of which Environment is responsible for under the program.

Yes, we've learned a lot in the initial research and in some of this work which has been done. Basically we're using a 20-mil plastic or polyethylene liner in terms of lining our main canals, which is much more flexible than concrete in terms of the weather conditions we experience here. So that is the direction we're taking. In terms of the small canals within the irrigation districts, the department of Agriculture is well aware of the affects of weather and is using appropriate technology.

Agreed to:

Total Vote 1 — Irrigation Headworks and

Main Irrigation Systems Improvement

\$60,000,000

## 2 — Land Reclamation

MR. BRADLEY: Mr. Chairman, I think the land reclamation program has proved to be very useful to the province. We are rehabilitating sanitary landfills, garbage dumps, sewage lagoons, mine tailings, and mine waste dumps. We also have a research component with regard to reclamation in the plains area and mountains and foothills area. Both of these have been very successful. Earlier this year I think I circulated to hon. members specific projects which will be undertaken in their constituencies which outline the nature of the work being done. I think that was appreciated by most members.

I'm pleased to entertain any questions.

MR. MARTIN: In terms of land reclamation, what are the percentages, or is there any percentage picked up by, say, the energy industry after they go in? How is it worked? What is paid for by government, and what is paid for by industry in these types of things?

MR. BRADLEY: Are there any other questions?

MR. CHAIRMAN: Apparently not.

MR. BRADLEY: Mr. Chairman, the nature of the projects which the department is involved in are those which predate our land reclamation and surface conservation legislation. So it relates to projects where there is basically no identifiable existing industry or to work which was done prior to our requirements of industry to proceed with reclamation. So industry itself is responsible for any new work that's taken place — I think it's post-1963 — after this type of reclamation legislation came in force. In terms of any industrial reclamations we'd do, we are then looking at abandoned projects for which there's no identifiable owner or which predate the reclamation legislation in which industry did not have the obligation to reclaim

to the standards we require today. We also assist municipalities in the province with reclamation of their garbage dumps and sewage lagoons and that sort of thing. Gravel pits are also reclaimed. But with regard to industrial reclamation, we don't cost share. Industry which is in existence today and operating since the reclamation legislation is responsible itself for reclamation in terms of this specific vote.

Agreed to:

Total Vote 2 — Land Reclamation \$3,000,000

### 3 — Paddle River Basin Development

MR. CHAIRMAN: Are there any questions or comments?

HON. MEMBERS: Question.

MR. MARTIN: Too anxious here. Paddle River has been a rather famous development in this Legislature. It would be a shame to let it go by without having the minister talk about it a little bit more. I'm sure he wants to.

I noticed today — we haven't had a chance to go through the documents the minister tabled, about a foot thick. The answer is probably in there but, as we have the minister here, we can ask. I notice we also have the supplementary estimate, and we know that it, like some other government projects, went over budget somewhat. I guess I'm just following up there with the minister to see how much over budget we are now, in a time of restraint. Secondly, is this the last supplementary estimate the minister can see? Is it ready to roll finally, and what are the final figures?

Then, of course, we hear all sorts of rumours. I know the minister will tell us that everything's okay, but I'll ask: are the slippage and engineering problems completely solved? It's my understanding that that is part of the reason we are over budget. Are there any more problems in this area? Can the minister give the House assurance that the problems are overcome this time and it's not going to cost any more money from the taxpayers?

MR. BRADLEY: Mr. Chairman, as the hon. member has relayed, this project has had a very interesting history. Over the past number of years we've had a lot of discussion about the project in the Legislature. With regard to additional costs related to this project, I should indicate that it is anticipated that an additional \$2,232 million — which is contained in both the supplementary estimate and the estimate we're voting for next year — is the additional cost which relates specifically to the movements which have been experienced at the construction site and relates to additional earth berm work which has been placed on the structure to increase the stability. It relates to monitoring and additional analysis work that has to be done, and relates to extension of the conduit joints. That's the major additional cost to the project over what had been anticipated earlier.

There are funds available to settle claims which have been initiated by contractors. There are funds available with regard to final settlement for land purchases. There are also funds involved which are really fixed assets or construction camp assets, which will be disposed of at a later date but will not necessarily be credited to the project at this time. Those are

the additional funds that are required. I'm advised, and I think I advised the Legislature earlier, that from the start of this project we've had an international dam review board of well-known experts in this type of construction advising us. The best advice I can give the hon. member that I have received is that the figures which I have indicated and which are in the requested-for approval will be the final cost of the project.

Agreed to:

Total Vote 3 — Paddle River Basin Development \$960,000

### Supplementary Estimate of Investment (A) 1984-85

Agreed to:

#### Environment

Total Vote 3A — Paddle River Basin Development \$1,401,000

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

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that from the Alberta Heritage Savings Trust Fund sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1986, for the purpose of making investments in the following projects to be administered by the Minister of Energy and Natural Resources: \$3,685 million for grazing reserves development; the Minister responsible for Workers' Health, Safety and Compensation: \$1 million for occupational health and safety research and education; the Minister of the Environment: \$60 million for irrigation headworks and main irrigation systems improvement, \$3 million for land reclamation, \$960,000 for the Paddle River basin development; and also for the Minister of the Environment: \$1,401 million for the Paddle River basin development supplementary estimate.

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

HON. MEMBERS. Agreed.

MR. KOZIAK: Mr. Speaker, government business for tomorrow will be in Committee of Supply, and we'll be moving to the Department of Hospitals and Medical Care.

[At 9:29 p.m., on motion, the House adjourned to Wednesday at 2:30 p.m.]

