

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, March 25, 1985 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF BILLS

Bill 7

**Glenbow-Alberta Institute
Amendment Act, 1985**

MRS. EMBURY: Mr. Speaker, I request leave to introduce Bill 7, the Glenbow-Alberta Institute Amendment Act, 1985.

This basically makes three changes to section 3 of the Act. The first one is in the number of governors, which will be increased from 13 to 15. The Lieutenant Governor in Council shall appoint nine of these governors instead of the seven that is presently there. Lastly, a person must be a Canadian citizen to be eligible to be a governor.

[Leave granted; Bill 7 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill 7 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: TABLING RETURNS AND REPORTS

MR. LOUGHEED: Mr. Speaker, on behalf of the Provincial Treasurer I wish to table two volumes of the public accounts of the province of Alberta for the year ended March 31, 1984, together with supplementary information regarding details of expenditure by payee. I am also filing with the Assembly the financial summary and budgetary review for the year ended March 31, 1984. Copies will be made available to all members.

MRS. LeMESSURIER: Mr. Speaker, I wish to table the annual report of Alberta Culture for the year 1983-84.

DR. WEBBER: Mr. Speaker, I'm pleased to table the 1984 annual report of the inspection of animal facilities of Alberta universities, in accordance with section 52 of the Universities Act.

head: INTRODUCTION OF SPECIAL GUESTS

MR. YOUNG: Mr. Speaker, it's my pleasure this afternoon to introduce to you and to members of the House seven members of the 136 Mayfield scouts, who are in the members' gallery with their leader, Mr. Jack Chalut. I note that Mr. Chalut is representative of a number of people in the gallery today and others in our society who do a great

deal of volunteer work in making this a stronger community in which to live. I ask that the scouts rise and be recognized by the Assembly.

MRS. OSTERMAN: Mr. Speaker, it's certainly an honour for me today to introduce a very large group in the members' gallery. There are 66 young ladies and seven adults, I believe, who are all with the Alberta Girls' Parliament.

It's a very special occasion, Mr. Speaker, because they're celebrating the 75th anniversary of guiding. As a matter of fact, our Premier was fortunate enough to have been on the receiving end of a presentation of their history today. I know that two or three young ladies were privileged to do that.

We also have with the group guests from eight other provinces celebrating this 75th anniversary. Mr. Speaker, while we are sometimes loath to admit that Ontario is ahead of us, in Canada the movement started in 1910 in Ontario, followed within about two years in Alberta. I understand the group came together yesterday, and they will be working through to Wednesday.

There is one other little note that I have to put in, in that I understand Mr. Douglas Blain is their parliamentarian. Mr. Blain is certainly well known to us. Not to denigrate anybody else who has been assisting them in parliamentary procedures over the years, I have a feeling Mr. Blain is probably giving you more accurate information than anybody else you've had — I know; I was there one time — although I would add the comment that I don't think Mr. Blain can participate in the political process in the two caucuses that are at work, one trying to outdo the other.

One other point, Mr. Speaker. The four leaders are Jean Walters, Doreen Walker, Bunnie McMillan, and Susan Cressey. I think these gals have been part of the organization for some time and certainly have listened to the debate over the years. I noticed that some of the topics they had under discussion in 1983 were: banning smoking in indoor places, compulsory driver training in schools, and compulsory examinations for grade 12 students — I'm not sure where the girls were on that. Also, over time they've debated Sunday shopping legislation. I think the girls will realize that some of these issues are lengthy in terms of resolution.

We are all delighted to see you today. I ask you all to rise and receive the warm welcome of the Assembly.

MR. DIACHUK: Mr. Speaker, if I may add to the introduction by my colleague the hon. Minister of Consumer and Corporate Affairs, I have the special privilege and pleasure to introduce one of the girls in that group, a girl who has been chosen out of all the guides in Canada as one of two girls representing Canada at the international camp in Malaysia during the month of April. She'll be visiting and living with people in Malaysia. Karen Hannah is seated up there with the guides. I would like Karen to stand and be recognized for that special, special accolade that she so well deserves.

MR. SPARROW: Mr. Speaker, it is my pleasure today to introduce to you and Members of the Legislative Assembly a group of 36 bright and energetic grade 8 students from the Pigeon Lake regional school, located in Falun, Alberta, in the Wetaskiwin-Leduc constituency. They are accompanied by group leaders Philip LaGrandier and Elmer Stobbe and by parent Larry Cole. I believe they're in the public gallery, and I ask that they rise and receive the warm welcome of the Assembly.

head: ORAL QUESTION PERIOD**Canadian Commercial Bank Support**

MR. MARTIN: Mr. Speaker, in the absence of the Provincial Treasurer, I'll direct questions to the Premier. They have to do with today's news release dealing with the Canadian Commercial Bank. I would like to begin with a section of the Provincial Treasurer's news release this morning, which was particularly vague. Apparently, we are joining with the governments of British Columbia and Canada in each purchasing up to \$13 million of subordinated debt of the CCB. Can the Premier be a little more specific and indicate if we are writing off this debt for the bank, or is there any reasonable chance at all that we will be repaid this amount?

MR. LOUGHEED: With regard to that or other questions on this subject, Mr. Speaker, I've been informed by the Provincial Treasurer that he'd be prepared to answer these questions in the House tomorrow.

MR. MARTIN: On a point of order, Mr. Speaker. It seems to me that when a major announcement dealing with taxpayers' money comes out at 8:15 a.m. on March 25 — we can argue that it should have been in the budget or not. This is the first time we reasonably can come back and question the Treasurer about a very important item. I, for one, am a little perturbed that a major announcement like this came out when we're in the middle of the session, and we can't deal with it for a couple of days.

I would like to follow up, if I may, with a supplementary question to the Premier, dealing with government policy rather than the specifics of this particular thing. Alberta's share of the basic support package is roughly a cool \$60 million, which is a lot of money and which will ostensibly be repaid to us out of 50 percent of the future bank profits. Given that the bank suffered an 88 percent decline in its net income in the year ended October 31, 1984, and suffered a \$1 million loss in the 1984 calendar year, what leads this government to believe there will be any profits from which we will be repaid? I'm sure the Premier is part of these discussions.

MR. LOUGHEED: Mr. Speaker, I will give the same answer. I see nothing in the public interest of Alberta that is in any way jeopardized by the answers being provided in the House tomorrow by the Provincial Treasurer.

MR. MARTIN: A supplementary question. Again, it shows the total insulting ...

MR. SPEAKER: Order please.

DR. BUCK: But he's right.

MR. SPEAKER: Order please. It's not for me to say whether he's right or wrong, but I am responsible for the conduct of the question period. I was a little reluctant a moment ago, as a matter of fact, when the hon. Leader of the Opposition was making his complaint about the Provincial Treasurer not being here. I know of nothing relating to the rules of the question period that require a minister to be in his place for question period because a news release of his was released that morning.

MR. MARTIN: Mr. Speaker, I'm sure it has nothing to do with you. My point was across the way, and they know precisely what I'm talking about.

We'll come back and have our time with the Provincial Treasurer. If I might deal strictly with government policy on this matter, to the Premier: besides the difficulty that almost all institutions face, with the nondiversified Alberta economy and real estate prices, it seems the major problem with this bank was its management decision to purchase all the outstanding shares of a money-losing California bank; that is, the ...

MR. SPEAKER: Order please. Could the hon. leader please come to the question. What we're doing is debating the subject.

MR. MARTIN: No, it has to do with government policy. Clearly, this was a management decision. My question to the Premier is: is it now government policy that private-enterprise firms which make management decisions completely unrelated to our province or its economy should be bailed out at public expense?

MR. LOUGHEED: Mr. Speaker, it's inextricably part of the same question that I answered earlier.

MR. MARTIN: A supplementary question to the Premier. Given the major significance of this policy decision involving public dollars, why was this announcement first made by way of a news release rather than to the elected representatives of this Assembly? Following up, why is the Treasurer not here, dealing with something this important?

MR. LOUGHEED: Mr. Speaker, I think the Provincial Treasurer can answer that question, and will be happy to, when he returns to the House tomorrow.

MR. MARTIN: Mr. Speaker, it's quite a way to run a business here in Alberta.

SOME HON. MEMBERS: Order.

MR. MARTIN: You're right; we need some order in this province.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. Premier with regard to this matter and others. Are other such matters in terms of supporting financial institutions such as this being dealt with by the government? Is the government considering others at the present time, or is the Premier aware of others on the horizon?

MR. LOUGHEED: Again, Mr. Speaker, I'm sure that's a question the Provincial Treasurer would be prepared to answer tomorrow.

Securities Commission

MR. MARTIN: We'll move on to the second set of questions to the Attorney General, who I see is here. We're glad to have you aboard, and perhaps you can answer some questions. They have to do with Dial, if I may go back into that realm, Mr. Speaker.

Has the Attorney General or any other member of Executive Council solicited an assessment of whether or not, either at present or upon conclusion of what we were told is a current Securities Commission administrative investigation of the Dial matter, the Crown is now or could

become liable to tort actions in the matter of the Securities Commission's handling of the Dial Affair?

MR. CRAWFORD: Mr. Speaker, I think the hon. leader is at least in one respect asking me for a legal opinion. Perhaps he could consult counsel.

MR. MARTIN: A supplementary question to the Attorney General. My point is that we could lose a lot of taxpayers' money. The possibility is there if the courts approve. My only question to the Attorney General is: has he had his department assess this matter? Is it possible that we could face these suits and, secondly, what are the dollars we're looking at if this happened to come about?

MR. SPEAKER: If the hon. leader would look at some of the parliamentary practices with regard to the question period, I think it would refresh his memory concerning advice which is given by law officers of the Crown to ministers of the Crown. That is not ordinarily a proper subject for the question period.

MR. MARTIN: A supplementary question to the Attorney General, if I may word it this way. Has the Attorney General, representing the government, any concerns regarding possible suits against the government with regard to the Dial matter?

MR. CRAWFORD: Mr. Speaker, I can briefly answer that. To do so would perhaps be expressing a legal opinion. I think the hon. leader knows — and I would underline it for the information of other members of the Assembly — that some legal proceeding, raising some of the issues the hon. Leader of the Opposition has referred to, is in fact in progress. Mr. Speaker, I know the sub judice rule does not extend to a prohibition of speculating about such matters here, as it might if the matter were actually before the courts, but it is near enough to it so that I think I would like to leave the hon. leader to his own fulminations and speculations.

MR. MARTIN: A supplementary question. As the Attorney General is well aware, this is a civil case, and that convention does not apply until the matter has reached the trial stage. I'm sure the Attorney General is aware of that in *Beauchesne*, but we expected that would be the answer we would get. When they don't want to answer, it's always convenient.

My supplementary questions are to the Minister of Consumer and Corporate Affairs, if I may. Can the minister assure this Assembly that no other potential Dials are lurking out there, waiting to collapse and take hundreds of thousands, perhaps millions, of investors' dollars with them?

AN HON. MEMBER: Hypothetical.

MR. MARTIN: No, it's not hypothetical.

MRS. OSTERMAN: Mr. Speaker, I believe that to be a purely hypothetical question.

MR. MARTIN: You can believe whatever you want. My question is: are there any financial institutions in trouble that may cause small investors in this province to lose their shirts?

Well, that's interesting; they're not going to answer. I wonder how many more are out there, Mr. Speaker. There

must be a few. Let me follow up. Given the discrediting of the Alberta Securities Commission's approval of securities, can the minister offer us any assurance? Specifically, I guess I'm saying to the minister: because of what's happened with the Securities Commission, what reasonable response can we give any investors at this particular time that their money is well looked after?

MRS. OSTERMAN: Mr. Speaker, the hon. member always puts a variety of his opinions before the question and has done so over the course of the last number of days. All those expressions of opinion have related to a particular case that's going to be heard very shortly, as I understand it, in terms of the normal proceedings of the Securities Commission. I hope the hon. member will be somewhat patient in terms of those proceedings and any prejudice that could occur in terms of any of us speaking about them in this Legislative Assembly.

MR. MARTIN: A supplementary question to the minister, Mr. Speaker. It's not my opinion that financial institutions have collapsed in this province. It has nothing to do with my ...

MR. SPEAKER: Order please. Let's come to the question.

MR. MARTIN: Has the minister undertaken any assessment of private investors' confidence in the Alberta Securities Commission relative, for example, to their confidence in the Ontario Securities Commission?

MRS. OSTERMAN: Mr. Speaker, we seem to be on a lot of fishing expeditions, but I think it's important for the hon. member to at least have this information, because obviously he hasn't done a great deal of research: the Securities Commission has a number of bodies that are in a position to constantly give advice and bring to the attention of the commission and the minister matters with respect to policy — proceedings, legislation, and regulation — and this is ongoing. A group that is part of the Alberta Bar works in securities; there is an Investment Dealers Association. There is a host of entities, not the least of which is the Alberta Stock Exchange. If the hon. member would care to do a little research, he would find that the Securities Commission makes itself available to those bodies on a constant basis in order to receive information and concerns.

MR. MARTIN: A supplementary question. We talk about research; the minister didn't even know she had the power to look into the Act.

The minister well knows that there is a relationship between the Ontario Securities Commission and Alberta. To follow up, has the minister undertaken any assessment at all of the relative acceptability to investors, if I could put it that way, of securities issued solely with the approval of the Alberta Securities Commission, as opposed to those issued with the approval of both the Alberta and Ontario securities commissions?

MR. SPEAKER: I have great difficulty in assuming, as I must if this question is going to be in order — and that applies to its predecessor — that it's a public duty of the minister to assess the popularity or regard in which various securities commissions might be held. Let's confine the questions to the minister's duties.

MR. MARTIN: On a point of order, Mr. Speaker. It has very much to do with the minister's department. Some investors check with one commission or the other; some check with both. It has to do with how they feel about the Alberta Securities Commission, which flows very much into her department.

MR. SPEAKER: Perhaps the hon. leader might check with the investors, then, and get the information directly. To suggest that the hon. minister has among her duties the assessment of the relative regards in which various securities commissions are held by investors would seem to me to be stretching matters a little too far.

MRS. OSTERMAN: Mr. Speaker, if I could, I only want to comment on one part of the preamble the hon. member seems to constantly have with respect to his questions on this matter. He commented that I was not aware of my so-called power under the Act. For the benefit of the hon. member, I am very aware of my duties and obligations under the Act, and I have stated time and time again in this House that I will not be in a position, and I'm sure the other hon. members would not want to be in a position, of prejudicing a matter before the commission.

MR. MARTIN: A supplementary question.

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

MR. MARTIN: The minister can say what she wants, but let's follow up with this. What steps is the minister planning to take to restore confidence in the Alberta Securities Commission and, hence, restore investor confidence in those Alberta securities issued with no approval other than that of the Alberta Securities Commission?

MRS. OSTERMAN: Mr. Speaker, the hon. member has raised a question based on an opinion that the hon. member has expressed with respect to investor confidence in this province, and I reject the hon. member's opinion.

MR. ALEXANDER: Mr. Speaker, I wonder if I could ask a supplementary. Could the minister clarify for the House whether it ever was or is now the role of the Alberta Securities Commission to express approval of any investments?

MRS. OSTERMAN: As most hon. members will hopefully be aware, Mr. Speaker, the Securities Act requires a vetting procedure by way of a prospectus for investments, and at no time should or would the commission be in a position of expressing an opinion as to the merits of the investment. Upon reading a prospectus, a prospective investor is in the position to make his own decision with respect to that investment.

DR. BUCK: Mr. Speaker, a supplementary question to either the hon. Premier or the deputy Provincial Treasurer. Was there any discussion between North West Trust and the government of Alberta, or discussions with North West Trust, the government, and the Treasury Branches, before the prop-up of North West Trust came into effect?

MR. LOUGHEED: Mr. Speaker, I believe that is a question that could be raised with the Provincial Treasurer tomorrow.

DR. BUCK: Mr. Speaker, my question was to the chairman of Executive Council, the Premier. The Premier is the head of the government and the chairman of Executive Council. Was there any discussion with the government of Alberta and the Treasury Branch before the prop-up of North West Trust came along? The Premier would surely be privy to that information.

MR. LOUGHEED: Mr. Speaker, I may be privy to the information, but the answers would be given by the Provincial Treasurer.

Sugar Beet Industry

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Agriculture. This is a very critical week for the oil and gas industry of this province as well as agriculture in southern Alberta. I wonder if the minister could indicate whether any word has been received from either the minister responsible for the federal Wheat Board or the federal Minister of Agriculture relative to the sugar beet industry in southern Alberta.

MR. FJORDBOTTEN: Mr. Speaker, there hasn't been any further word received since last Thursday, at which time the Minister of Economic Development, the M.L.A. for Taber-Warner, and I spoke to him by telephone. At that time it was his indication that it hadn't gone through their cabinet or any of the committee structure as yet, so they expected it would be some time this week at the earliest before they would be able to announce a final decision on whether the answer would be yes or no, and if it was yes, what type of assistance they would provide. So we're anticipating that there could be an answer sometime this week.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Can the minister confirm that the federal Minister of Finance, Mr. Wilson, has indicated that in terms of his responsibility no answer relative to the southern Alberta sugar beet industry would be given until after May 24, 1985?

MR. FJORDBOTTEN: Mr. Speaker, no. I certainly think both the Minister of State responsible for the Wheat Board as well as the federal Minister of Agriculture were fully aware of the immediacy of the problem. We emphasized to them, if there was any doubt, that we had about two weeks, a month at the outside, but that there should be some answer within two weeks so that planning could take place on behalf of the producers of sugar beets in southern Alberta. So the indication would be that I assume they would be able to make some sort of decision and an announcement within the next two-week period.

MR. R. SPEAKER: Mr. Speaker, a supplementary question with regard to sugar beets or fresh vegetables that were under the snow from last fall. Has any further reconsideration been given by either the Minister of Agriculture or the Minister of Transportation with regard to that matter?

MR. FJORDBOTTEN: Mr. Speaker, we've had discussions with both groups. Of course, they aren't covered under the hail and crop insurance program, and there are no other programs under which they could fit in order to receive assistance. Even though there are no plans at this point to provide any assistance to them — recognizing it was a one-year problem that was unusual; however, weather problems

do occur — the encouragement is for them to be involved under crop insurance in the future. Further discussions will take place this week, however, particularly with the vegetable growers association, to see if there's some way we could help them.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Agriculture. I'm sure the sugar beet growers who have 2,200 acres of crop under the snow would like to know the reasons the government is looking at fresh vegetable growers and not sugar beet growers in terms of compensation.

MR. FJORDBOTTEN: Mr. Speaker, with respect to the vegetable growers, canning vegetables were covered under crop insurance but not fresh vegetables. A significant amount of that fresh vegetable portion and a relatively small portion of the sugar beet crop were left in the field. As I stated before in this House, however, it is still under review.

Cancer Research Funding

MRS. KOPER: Mr. Speaker, my question is to the Minister of Hospitals and Medical Care. I was greatly surprised to be watching a national news commentary that stated that funding for cancer research by the federal government and the government of Ontario was going to be drastically reduced and that within two years' time the government of Alberta would completely discontinue any such funding. Could the minister please confirm whether or not it is planned that such funding will be discontinued?

MR. RUSSELL: No, it's certainly not the intention of this government to discontinue support into medical research, including that in the cancer field, Mr. Speaker. I believe where the confusion arose is that the original five-year program of \$3 million a year for special research projects into cancer has been extended twice, so it has actually become a nine-year program. The reason for the two extensions is to allow the organizers of the research program to make plans to ease out of that plan and into the \$300 million Alberta medical research trust source of funding. We heard that from the people who appeared here before the standing committee on the Alberta heritage trust fund. So the way the hon. member put the question to me, I would say that it's a wrong conception.

MRS. KOPER: A supplementary to the minister. Is there any chance that cancer research would become more dependent on the private sector?

MR. SPEAKER: I believe that would be a matter of opinion, unless it can be related in some way to the minister's department or his official duties.

MR. RUSSELL: Mr. Speaker, we've tried at every opportunity to encourage the private sector to support or match or lead in these kinds of projects and to make sure government support is there in large quantities. I know personal opinions don't count that much in here, but I would hope the private sector would increase their activity in that field.

MRS. KOPER: A supplementary to the minister. Because of the great inroads that are being made in this field of cancer research, is there any co-ordination or consultation

with other provinces or the federal government regarding the initiatives being taken in this direction?

MR. RUSSELL: Mr. Speaker, it's my understanding that there are excellent communications and exchange of library lists, et cetera — research papers and reports — among the research community not just in Canada but around the world.

Extra Billing — Eye Surgery

MRS. CRIPPS: Mr. Speaker, my question is to the Minister of Hospitals and Medical Care. Some of my constituents, especially senior citizens, have contacted me regarding eye surgery. Apparently, they are being referred to clinics and told that if they go into the clinic, they can have the surgery done within two weeks but that if they want to go into the hospital, there's a nine-month waiting period. The little catch is that the clinic has an additional cost of \$1,000 over and above the medical care payments. Is the minister aware of this situation, and can he give the Assembly any information on the problem?

MR. RUSSELL: Without checking records, Mr. Speaker, I couldn't say what the waiting time for any patient would be with respect to those kinds of services. But I know there is at least one clinic in Alberta, operated by a highly skilled ophthalmologist who is attracting patients from around North America because of the techniques and procedures he has developed, and he runs it as a private clinic. The Alberta health care insurance plan pays for this doctor's fee whether the procedure is done in the hospital or in the clinic. As a patient there's quite a difference in time in bed between the two kinds of facilities, and it's left to the patient to decide which course they'll follow. It is correct, I'm told, that because of the reasons I've outlined, in most cases the use of the private clinic does involve substantial extra billing.

MRS. CRIPPS: Has the minister received any of these complaints, and can he check to see if there is a long waiting period or if, in fact, the bookings are simply not being made at the hospital?

MR. RUSSELL: Mr. Speaker, I would be pleased to take that question as notice and try to find out the waiting time for the hon. member's constituents. There was a period two or three years ago when I received a flurry of complaints about extra billing involving senior citizens at that clinic; Those have since ceased and, on the contrary, I've received a number of complimentary messages about the very excellent service and really marvellous procedures that are being carried out there.

MRS. EMBURY: A supplementary question, Mr. Speaker, to the hon. Minister of Hospitals and Medical Care. Isn't it true, Mr. Minister, that the advanced procedure, that is being used for cataract operations in the private clinic is now also being carried out in the general hospitals?

MR. RUSSELL: That's quite possible, Mr. Speaker. Again, I have to take that question as notice. Being an experienced nurse, the hon. member is probably ahead of me in experience and knowledge about that kind of thing.

The procedure we're talking about is laser-based technology. It means that a cataract, for example, can be removed in less than an hour, whereas the hospital-based, traditional

procedure involves a stay of several days. You can see the obvious advantages to the more advanced technology. At this time I'm unable to say whether or not other doctors are now doing it in a hospital-based location.

MRS. EMBURY: Mr. Speaker, I'd like to ask one more supplementary of the minister. Since he has taken a couple of the questions as notice, I might have to add one more. In view of the fact that a lot of the patients who have the cataract operations are senior citizens, and I understand that our health care insurance plan does cover all the expenses for senior citizens, including eyeglasses, can the minister confirm why there would be a discrepancy when a senior citizen has a cataract operation and cannot get the glasses for their other eye paid for by our health care system?

MR. RUSSELL: I'm sorry, Mr. Speaker. I'm not getting the intent of the member's question.

MRS. EMBURY: Mr. Speaker, I'm sorry I'm not speaking clearly. The point of the question is that if we do cover all the expenses for senior citizens, which includes the prescription of eyeglasses, in the case that a senior citizen has had the surgery on one eye, why do they not cover the expense of the glasses they have to have on the other eye?

MR. RUSSELL: Mr. Speaker, I believe the hon. member is referring to the lens implant rather than the eyeglass. If that's so, it's true that the coverage is different in the hospital from in the private clinic, but that is left up to the patient to decide. If the hon. member is referring to prescription glasses, there's a limit to how many prescriptions there can be within any two-year period.

Again, if the hon. member has a constituent she's concerned about, I'd be pleased to look into it for her.

Fantasyland — Government Assistance

MR. HIEBERT: Mr. Speaker, my question is directed to the Minister of Tourism and Small Business. As the minister responsible for the Triple Five West Edmonton Mall Fantasyland project, could the minister update the Assembly as to the current status of Triple Five's request and government's response to that request?

MR. ADAIR: First of all, Mr. Speaker, I'm not sure what the preamble was, about being responsible. The present status is that in February we received a letter of request from the Triple Five Corporation about Fantasyland. In the interim we reviewed that and responded as of last week, outlining the points that have not changed from our letter of July 19, 1984. In that letter we outlined a number of areas of concern and conditions that would have to be attached to anything we would review. The initial intent of the letter was that we were not going to respond, but we left the door open to say that if they were prepared to meet these conditions, we would be prepared to look at it. We elaborated on the nine points in that letter of July 19.

MR. HIEBERT: A supplementary question, Mr. Speaker. I didn't intend to make the minister responsible, rather to be responding to the request. Of those general conditions that were set out in the response to Triple Five, has Triple Five generally met those conditions or not?

MR. ADAIR: To this point in time, Mr. Speaker, no, although in their initial presentation of February 25 they did outline the possibility of setting up a nonprofit foundation. But in the elaboration we were asking them to go back to the letter of July 19, go through those nine points, and respond to us, if they so chose, as to the conditions set out in that letter.

MR. HIEBERT: A supplementary question, Mr. Speaker. One of the items that is continuously discussed is the question of the city's participation in the project with regard to a tax concession. Does the city's offer with respect to that tax concession meet the requirements that were intended in the July letter?

MR. ADAIR: Mr. Speaker, at this particular point in time I should point out that I'm not sure what the city's offer was. We've asked for clarification of that. We initially asked that a nonprofit foundation be created jointly with the city of Edmonton. That is one condition; number two, the ability of that foundation to develop, own, and operate the foundation; that there be some major contribution by the operators, in this case the Triple Five organization; and that we would consider, as we said in the July 19 letter, matching cash contributions up front — and maybe I should repeat that: cash contributions up front — to the tune of whatever that may be, with the maximum we set in our letter of the 19th being \$20 million.

MR. HIEBERT: A final supplementary, Mr. Speaker. Could the minister advise whether or not Triple Five has approached the federal government with regard to some participation, and if the federal government were to become involved in lieu of the city, would that change the reconsideration?

MR. ADAIR: Mr. Speaker, in relation to the letter we forwarded, ours is not contingent on any involvement of the federal government. If the federal government were to be involved, that would be between the corporation and the federal government. Ours was primarily with the number one prime benefactor, the city of Edmonton — then, obviously, the province of Alberta — meeting the conditions we set out in the July 19 letter.

Hazardous Waste Disposal

MR. GURNETT: Mr. Speaker, my question is for the hon. Minister of the Environment. Has the minister given any directions to the Special Waste Management Corporation regarding the advisability of a technical consultancy agreement in place with Chemical Waste Management of Chicago, which is now facing the largest penalty ever sought by the U.S. Environmental Protection Agency because of its illegal waste disposal practices there and its general record of poor waste practices in the United States?

MR. BRADLEY: No, Mr. Speaker.

MR. GURNETT: A supplementary question, Mr. Speaker. In view of that confidence in the arrangement between Chemical Waste Management and Chem-Security, has the minister had any discussions at all with the corporation, regarding the technical advice the Swan Hills contractor is receiving at this time?

MR. BRADLEY: Mr. Speaker, with regard to any applications which will be made in terms of technology which

will be used, I can assure the Assembly that the best technology in the area for treatment will be used by the Swan Hills facility.

MR. GURNETT: A supplementary question, Mr. Speaker. When the reports of the suit against the U.S. firm first surfaced, the minister was quoted as saying that he knew nothing about the suit in question. Is he now receiving regular, personal briefings from the Special Waste Management Corporation with regard to the Swan Hills plant?

MR. BRADLEY: With regard to the progress being made toward completion of the special waste management treatment facility at Swan Hills, I'm updated on a regular basis by the corporation as to progress in implementing that very important facility to handle Alberta wastes.

MR. GURNETT: A supplementary question, Mr. Speaker. Is the minister acquiring information from other sources? Ontario Hydro, for example, has been testing a new process which would turn PCBs safely into harmless salt. Has the minister looked into any establishment of consultancy with firms like Ontario Hydro?

MR. BRADLEY: Mr. Speaker, as I earlier indicated, the Special Waste Management Corporation is involved in reviewing what technology will be used. The department is obviously involved in that, and I assure the hon. member that the best possible technology will be used to destroy the special wastes at the Swan Hills facility.

Postsecondary Education Funding

MR. MUSGREAVE: Mr. Speaker, in the 1976-77 financial year the difference in funding between the University of Calgary and the University of Alberta was \$1, in favour of the University of Alberta. According to a report to the Minister's Advisory Committee on University Affairs in January this year, that difference has now grown to \$1,235. I would like the minister to confirm if he agrees with this, and if he does, how he proposes to eliminate the difference?

MR. JOHNSTON: Mr. Speaker, I had an opportunity to review the report the Member for Calgary McKnight mentioned, which was presented to my universities advisory committee and in which some discrepancy between the simple FTE, or per capita funding to universities, was compared and contrasted.

There are several ways of looking at the rationale for funding universities in Alberta. One of them is that I think universities should build their own funding requirements on their own sets of goals and objectives and should not be caught in the comparison between various institutions, which have a differing mandate and a different history in terms of the development of these facilities. At the same time, I suppose you could argue that the methodology employed was fairly crude and that to get trapped into that kind of simple comparison is often faulty and not one I want him to pursue. Yet, knowing that the Member for Calgary McKnight would not be satisfied with that type of response, I went back and did some additional analysis on the University of Calgary's submission.

The member will remember that in 1975 we had an enrollment-driven formula for university funding, in which various weights were attached to the various faculties, recognizing that a PhD in agriculture is more expensive

than a simple undergraduate degree. That was the heart of the original funding for the various institutions in this province. From that base a price expansion has been added to the base budget every year since.

Mr. Speaker, I asked the department to go back and recalculate the money flowing to the universities, based on the kind of programs being delivered; that is, assigning weights to the various faculties — a weight of one to an undergraduate degree and a weight of eight to a doctor's degree. I'm very pleased to say that I found that any difference between the institutions tends to disappear on the basis of that weighting.

MR. MUSGREAVE: A supplementary, Mr. Speaker. The net effect to the University of Calgary is that they are now laying off support staff in particular. I have a constituent with 15 years' service at the university who is now going to be unemployed.

More important than that, which is obviously of great concern, I would like to ask the minister if he can advise me how we can implement this strategy of our white paper on economic development and yet be reducing our funding or not encouraging more funding to the universities, particularly in view of the fact that the University of Calgary is now cutting off a three-year program in Chinese language at the end of the first year instead of continuing with it. Obviously, they're going against our strategy for development in the Pacific Rim countries.

MR. JOHNSTON: Mr. Speaker, I do not want to pre-empt my distinguished colleague the Provincial Treasurer, who has a very important message for us this evening. I am sure he will satisfy many of the questions about funding a variety of public sector and local government institutions. I simply indicate that as I have said, as we've all said, on any comparison across Canada, whether on a per capita basis or on a per student basis, universities in Alberta historically are funded among the highest in Canada.

Hospital Funding

MR. McPHERSON: Mr. Speaker, my question this afternoon to the Minister of Hospitals and Medical Care is with respect to his department granting a .7 percent increase to allay the negotiated salaries for hospital boards for the fiscal period ending today, I guess. It's my understanding that not all hospitals have received this increase. Some received them and others didn't, depending on their particular increased offset revenue, the amount of volume in the hospital, and other matters. Can the minister confirm that this apparent anomaly exists and if he intends, if not to rectify it, at least to advise the members of the House why some received it and some did not?

MR. RUSSELL: Mr. Speaker, the hospital boards throughout the province all received or will receive funds from the department out of this fiscal year's budget to cover the increase in the contract agreements that expired or came into effect at the beginning of this calendar year. I think where the confusion arose in some hospital boards' minds was the distribution of additional funds that were available during the last fiscal year. Those have not been distributed on an across-the-board basis but based on need.

With respect to the particular component that deals with salary increases, however, at the time the no-strike legislation was brought in and the work stoppages were legislated, we

did say that we felt that at least out of that agreement we had a commitment to cover those contract award costs, and that is being done.

Water Well Testing Program

MR. PENGELLY: Mr. Speaker, my question is to the Minister of the Environment. The water well test drilling program has been well received in my constituency. Could the minister inform the Assembly of the number of landowners in southern Alberta that have taken advantage of the program?

MR. SPEAKER: It would appear to be a good question for the Order Paper, but as has sometimes occurred in the past, it may be that the minister happens to have the information.

MR. BRADLEY: Mr. Speaker, in September the government announced its drought emergency water supply program to assist municipalities and rural residents with the impact on their water supply due to the drought. There were three components to that program: an emergency pumping program, an emergency community water supply program, and a water well testing program. Under the water well testing program we were able to assist rural landowners whose water supply had been affected by the drought, by assisting them with the drilling costs for test wells for water supply for domestic and stock-watering purposes. To date we have received and approved about 900 applications for this program. It has been very useful and effective in serving the needs of our rural residents impacted by the drought.

MR. PENGELLY: A supplementary, Mr. Speaker. Is it the government's intention to extend this water well testing program beyond March 31?

MR. BRADLEY: Mr. Speaker, the March 31, 1985, closing date for applications under this program will be retained. As I indicated, however, this has been a very popular program and has been very well received, to the extent that the drilling industry has been unable to keep pace with the demand for services. As such, the actual drilling for approved applications will be extended until June 30, 1985. This will give the water well drilling industry the opportunity to finish the drilling work for approved applications.

ORDERS OF THE DAY

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

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS

(reversion)

MR. CLARK: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you, and through you to members of the Assembly, 40 pioneer citizens from the constituency of Drumheller. They are from the communities of Standard, Strathmore, Rockyford, and Redland, and I believe there could even be a few from Three Hills.

They call themselves the Pioneer Travel Seniors, and that's a very appropriate name for these people. They make very good use of their government's busing program and busing grants for seniors, and they do a lot of travelling. In reality, they are part of the pioneers of Alberta who made this province the truly great province it is today.

They are accompanied by their bus driver and leader, Dale Hector. They're here to see their government in action and are going to stay overnight and see the sights of Edmonton. I understand they are going to go to West Edmonton Mall, so I'm sure it will help the economy of Edmonton somewhat. They're seated in the members' gallery, and I ask them to rise and receive the welcome of the House.

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 2

Grain Buyers Licensing Repeal Act

MR. BATIUK: Mr. Speaker, I move second reading of Bill 2, the Grain Buyers Licensing Repeal Act.

Mr. Speaker, the Grain Buyers Licensing Act was passed back in 1933 as the Track Buyers' Licensing Act. A track buyer bought grain by the carload while it was still on the rail. While it was effective at that time, it would not be possible under present regulations, since ownership on the track is ambiguous.

Mr. Speaker, the above point is that this Act was passed to accommodate a commercial arrangement that no longer exists. Since its passage in 1933 the Act has gone through several amendments, but they have not brought the Act to its intent. Today section 2 of the Act still refers to track buyers. Our current interest does not rest with the ability of the Act to deal with the past but with the current industry relationships and how they facilitate current transactions. If this Act were enforced, it might impair the ability of small Alberta farmers to carry on their business by the imposition of burdensome regulations. If the Act is not enforced and is left in its present state, there is the risk that some financial damage may be done to individuals. In cases where an individual or company should have been licensed under the Act and was not, it may be argued that the government should bear the responsibility for financial losses which might be the result of the company going bankrupt.

Much concern stems from the question of who requires the licence under the Act. The Act excludes "a person who buys grain for seed, feed, or otherwise for his own ... use." The exclusion could be considered to include farm-to-feedlot sales. This is the area over which I understand the province has jurisdiction and responsibility. Either the feedlot should be licensed or the requirement of the licence should be removed. Mr. Speaker, enforcement and administration of such a licensing procedure would be costly and redundant given the structure that already exists under the Canada Grain Act. Government responsibility cannot extend beyond its jurisdiction, which in this case extends to feedlot sales. It must be remembered that most feedlot operators are farmers, and licensing feedlots would only impose a cost on some smaller feedlot operators who find the regulatory process too cumbersome to justify their staying in business.

Mr. Speaker, most grain trading under conditions that would be subject to the Act is done on a handshake and

has been very successful. Most farmers are very astute when selling their grain on the local feed market. A more formal means of doing business may be advantageous in some circumstances; maybe the government could become a catalyst to develop some formal methods if it is felt desirable.

Mr. Speaker, I urge all hon. members to support the repeal of this redundant legislation which really serves no purpose.

Thank you.

[Motion carried; Bill 2 read a second time]

Bill 3
Municipal Capital Expenditure
Loans Repeal Act

MR. FISCHER: Mr. Speaker, I wish to move second reading of Bill 3, the Municipal Capital Expenditure Loans Repeal Act.

The Municipal Capital Expenditure Loans Act was proclaimed in 1953. This Act established a revolving fund from which the municipalities could borrow for buying buildings, water and sewer or gas or power systems, roads, bridges, or land.

The fund was limited to \$100 million, and the maximum interest rate at that time was 3.5 percent per year. Loans had to be paid off over the lifetime of the project. Cabinet would determine the eligibility of the projects and the maximum a particular municipality could borrow. The annual statements for the program fall under the Municipal Affairs debenture interest rebate program of the government estimates. Loans that were made under the Act totalled \$136,291,585. The last loan was made on June 1, 1959, to Calgary. The final payment of the 25-year installment was repaid on June 1, 1984.

In 1956 the Alberta Municipal Financing Corporation was established, and by 1959 the corporation had fully replaced the municipal capital expenditure loan program. The Alberta Municipal Financing Corporation could provide much larger loans at very good interest rates for all types of capital municipal projects. The municipalities and the government of Alberta have preferred to deal through this well-established Alberta Municipal Financing Corporation.

This Bill would repeal an Act that is not being used. I urge you to support Bill 3 to assist this government in their efforts in deregulation.

[Motion carried; Bill 3 read a second time]

Bill 4
Seed Dealers Repeal Act

MR. FISCHER: I am absolutely delighted to rise for second time this afternoon to move the second reading of Bill 4, the Seed Dealers Repeal Act.

The Seed Dealers Act was introduced in 1957 to license firms or individuals who purchased seed outside their own production for the purpose of resale. The Act required that dealers purchase annual \$10 licences and post a bond to protect the buyer. The amount of the bond was relative to the size of their business. A \$5,000 bond was required when no agents were employed, and a \$15,000 bond was required where operators employed agents.

Since 1957 the quality of seed that has been used, of course, has greatly improved, and nearly all the producers

that purchase seeds now would use pedigreed seed. The sale of all pedigreed seed is governed by the federal Seeds Act, which protects the buyer to ensure that he gets the quality of seed he paid for. Since the enactment of the Seed Dealers Act in 1957 there have been no claims against the bonds held by the provincial Treasury. After 27 years with no legitimate complaints or claims, I believe we should recognize that the buying of seed from Alberta growers could continue without the expense and bureaucracy of the Seed Dealers Act.

Another reason for repealing this Act is that the licensing of seed dealers has to operate strictly on the honour system. If a farmer purchases seed from a neighbour and takes it home or has it processed at a seed plant and then offers it for sale, he is obligated to become a licensed seed dealer. Of course, there is no way of policing this system. It's estimated that less than a quarter of the actual transactions were covered by licensed dealers.

As the Seed Dealers Act is obsolete and no longer needed, it is also a good candidate for deregulation. This is a good chance to get rid of unnecessary intervention and government bureaucracy, which the farming industry would most certainly welcome.

I ask the members of this Assembly to support Bill 4 in the repealing of the Seed Dealers Act.

[Motion carried; Bill 4 read a second time]

Bill 5
Alcoholism and Drug Abuse
Amendment Act, 1985

MR. GOGO: Mr. Speaker, I move second reading of Bill 5, the Alcoholism and Drug Abuse Amendment Act, 1985.

This is the first major amendment to the statute since it was passed by the previous administration in 1970. I think the amendments to the Act are pertinent and timely and needed if AADAC is to continue to carry out its mandate in the statute in terms of prevention, education, and treatment for those with alcohol and drug problems.

First of all, it would be interesting to point out that there have been some amendments in the definition section. The major one, "alcoholism", is now being changed to "alcohol" for the very simple reason that for some 30-odd years alcoholism has been defined by the medical authorities as a definitive illness, and there are many people who have problems with alcohol other than alcoholism. Simply look at the 26,000 people convicted each year of attempting to drive their automobiles whilst under the influence. So that definition has been changed.

In addition, Mr. Speaker, under section 3 is the definition of "alcohol and drug abuse," which I think has been modernized to reflect the current thinking; that is, as opposed to strictly an illness, it is "characterized by physical, psychological, or social problems." I think that is very important when one considers the problems we have in society today related to use, misuse, and abuse of not only alcohol but drugs, particularly prescription drugs issued with the best of intentions by physicians in this province. Many of them lead to some very strong misuse and abuse problems. One can imagine a lady of the category that the Member for Calgary North West was asking about today in the question period — 82 years of age and needing eye surgery. Most of us with 20/20 vision couldn't read the prescription on the pill bottle. Very clearly, there is a fair degree of misuse and abuse.

In recent years we've seen a new phenomenon. Section 16 of the Bill will assist AADAC considerably in defining programs to overcome some of these problems. I simply point out, Mr. Speaker, that we tend to continue to have serious problems. Some 26,000 a year are convicted of impaired driving; that's over 100 every working day. One looks at the economy and that may not be such a bad thing; people have to drown their sorrows. But what's particularly worrying is that of the 17,000 who by statute must show up at AADAC each year to take a course in order to get their licences back, some 6,000 are there for the second, third, fourth, fifth, and sixth time. In other words, they're repeat offenders. Nobody can tell me they do that because they don't have a problem with alcohol. Our guesstimate is that perhaps a third to a half of all those repeat offenders indeed have a problem of alcohol, not simply one of election to drink. So under section 16 the amendments say that AADAC will have the authority, notwithstanding that other people are going to decide whether the money is available, to operate some of these programs, hopefully with the very beneficial result of lowering this very serious problem of impaired driving and the many tragic consequences that go with it.

Another part of section 16, Mr. Speaker, is that AADAC will be able to establish a system of tariffs. They've never been able to charge fees in this province. Not for the treatment of people with problems — to my knowledge there will not be a charge levied on any Albertan or any citizen of the country who comes to Alberta for treatment. What we want to do is to be able to justify why we publish some of the material we do. Most members are familiar with the AADAC prevention campaign, primarily on television and radio. We would like to be in a position, when we've spent public funds to achieve the successful programs — I don't think there's any question of how successful they are when we look at teenage drinking being reduced by some 7 percent in the past two and a half years — to be able to sell them. To date we have not had that authority and, as a result, couldn't do it, which, quite frankly, was very shortsighted.

In addition, we want to be able to go into an area where I believe the number one problem in terms of alcohol is in the nation, and that's the workplace. They claim that some six in every 100 people who are employed have a problem with alcohol and/or drugs. This will enable us to run seminars for industry at our treatment centres, that are probably empty on weekends anyway, and be able to charge a tariff whereby Imperial Oil, the Royal Bank, or whoever can send their people to be trained so that they can return to the workplace and be involved with the counselling process of their own people. We think that is a major move forward.

Mr. Speaker, last Saturday I had the honour and privilege of addressing the Alcoholics Anonymous roundup in Lethbridge. I seem to do two or three a year. I'd like to close with this comment: seldom have I seen a group of people more dedicated and concerned about their fellow man than in Alcoholics Anonymous. It's truly a success story. They now have 2 million members. They're an organization that refused and continues to refuse to accept any moneys at all from government, which should please people in this Assembly. This year they're celebrating their golden anniversary, 50 years. Alcoholics Anonymous was started in 1935. I think we in this province are very fortunate. In Edmonton alone some 106 groups a week meet at night. Calgary has 108 or 110. Clearly, Alcoholics Anonymous is a group of citizens who have undertaken a responsibility

to help those who have similar problems. It's one that should be commended provincially.

With that, Mr. Speaker, I urge members to take a step forward, and see that AADAC is able to continue to do an effective job, by supporting Bill 5.

Thank you.

[Motion carried; Bill 5 read a second time]

Bill 6

Beverage Container Amendment Act, 1985

MR. BRADLEY: Mr. Speaker, I'd like to move second reading of Bill 6, the Beverage Container Amendment Act, 1985.

Mr. Speaker, this Bill comes about as a result of a review of the legislation which was undertaken by the beverage container advisory council. This council currently consists of the bottle depot operators association of Alberta, the soft drink manufacturers association of Alberta, representatives from the food and juice manufacturing industry in the province, and the Alberta Liquor Control Board. When some concerns with regard to the operation of this legislation came to my attention last year, the formation of this council was suggested by the different groups involved. So the amendments which have come forward result from the review this group has taken with regard to the legislation and are supported by them. There are basically two sets of amendments: one which would assist in terms of administration of the Act and a second which would formally allow for the appointment of a beverage container advisory committee.

I urge hon. members to support this legislation.

[Motion carried; Bill 6 read a second time]

Bill 8

Radiation Protection Act

MR. R. MOORE: Mr. Speaker, I move second reading of Bill 8, the Radiation Protection Act.

This is a Bill that combines two 12-year-old Acts: the Radiation Protection Act, which ensures that medical and dental X-ray equipment is installed and used properly, and the Radiological Technicians Act, which regulates the conduct and qualification of radiographers. As well, it adds provisions that upgrade and streamline the present regulations so they're in step with today's technology.

Mr. Speaker, the use of radiation for industrial and medical purposes is still a relatively new phenomenon. Over the last three decades a considerable amount has been learned about this form of energy. There have been tremendous advances in the technology over the 12-year period since these two Acts came into force. It is apparent from all of these developments that it is now time to introduce new radiation protection legislation to replace these two old Acts that have remained virtually intact since their adoption in 1970.

It may assist you in understanding the need for this, Mr. Speaker, if I put radiation protection in our province in an historical context. The first initiatives to result in formal controls in Alberta took place in the early 1960s. At that time the radiation section was established under the Alberta Department of Health. The section was formed to comply with changes to the federal atomic control board regulations. The federal government has jurisdiction over

certain areas, and the provincial government has jurisdiction over others.

So we'll understand what we're talking about, Mr. Speaker, in general the federal government administers radiation regulation through the department of health and welfare and the Atomic Energy Control Board. The federal authority for the regulation, importation, manufacturing, and sale of radiation-emitting devices is under the Radiation Emitting Devices Act. They also monitor the acquisition, use, and all dealings with radioactive minerals and materials such as nuclear fuel. It's important to underline that, because as soon as we start talking about provincial legislation regarding radiation, everybody takes note of the nuclear end of it, which comes under federal, not provincial, government jurisdiction.

In the federal field they also monitor the acquisition and use of radioactive materials used in the medical field. The federal government imposes standards on the design, construction, and function of radiation devices. They now also license industrial radiological technicians. That is one area we should understand too: the standards of design, construction, and function are a federal responsibility. In the provincial area they regulate radiation protection through the occupational health and safety division of Workers' Health, Safety and Compensation. They are charged with regulating the installation and use of radiation-emitting devices. The province is responsible for setting exposure limits and the administration of medical radiological technicians.

The Atomic Energy Control Board's new Calgary office and the accompanying 1982 federal/provincial agreement is fast behind the need for changing the current protection legislation. There is a need to clarify the areas of responsibility between the two jurisdictions. This is taken care of in the proposed new Act. I should note that the federal Atomic Energy Control Board has begun to license industrial radiological technicians, so this is no longer a necessary area under provincial legislation.

The proposed Act would incorporate the Medical Radiological Technicians Board under the Health Disciplines Act. The board's powers remain intact, but their legislative administration would be placed under this appropriate statute. As mentioned earlier, the Atomic Energy Control Board now regulates industrial radiological technicians, so this section can be removed from our legislation.

Since 1970 it has been discovered that potentially dangerous sources of radiation are not covered under current legislation. This was a concern to all of us. There were sources particularly in the area of nonionizing radiation such as ultrasound. These sources would be included in the proposed Act through regulation from the Lieutenant Governor in Council.

On the other hand, it has also been discovered that some regulated equipment is relatively safe. For example, low-power lasers used in the light shows we see on various stages around town are of such low frequency that there is no danger to the public, and they would not be covered.

The sanctions in the old legislation are not in tune with today's economic times. They had to be upgraded and the penalties brought into line so that they would play a role in protecting the public.

Certain administrative needs were not fully addressed in the current legislation. For instance, it needs to be clarified that medical officers have the power to require medical examinations and have access to medical records of radiation workers. There are accompanying safeguards to ensure the confidentiality of these records. It is also necessary to provide

for the exchange of information between the levels of government and departments to ensure that protection and communication is enhanced.

In a more general sense, it has been found that the onus should be placed on owner/user awareness and competence and the maintenance of the equipment. This would replace the tendency to rely solely on government inspection. We will continue to have the authority for inspection and enforcement, but the legal emphasis and ultimate responsibility will be placed on the owners and users of that equipment, where it should be. We will be monitoring and ensuring that the safety of all is protected. For instance, codes of practice will be prepared by the owners and administered by the director of the Radiation Health Advisory Committee. These will inform workers of acceptable practices while using radiation-emitting devices.

Mr. Speaker, a quality assurance program for diagnostic X-ray equipment will be also required, ensuring that routine maintenance will be maintained and carried out. It is very important that we inspect it when it's there but that we make sure that equipment is working in the future and not a danger to anyone. In the case of an incidence of overexposure, the owner will be required to submit a report outlining the cause and the actions taken after the accident. That report must satisfy the minister before the equipment may be used again.

As I said before, the proposed Radiation Protection Act consolidates the two Acts. The scope of the proposed legislation is all aspects of radiation protection under provincial jurisdiction. The new Act covers three general areas: equipment, people, and administration. With regard to equipment, when equipment is installed, a notification must be made to the government about its location. There is provision to allow the prohibition of dangerous equipment. If there is dangerous equipment in the opinion of the officer, this can be prohibited. It will also require proper maintenance and a quality assurance program for diagnostic X-ray equipment, as well as codes of practice. In the area of people the Act provides a general obligation of persons to protect themselves and others from radiation. Employers must make workers aware of the radiation they work with, and workers must be competent. That's another thing; anyone going into a dental office or an area such as that can be assured that the operators using that equipment are competent in handling the equipment. Radiation dose limits are provided, and where overexposure occurs, there must be notification and investigation by the owner and medical examinations may be required.

The administration of the Act includes the appointment of the staff, their duties and authority, and appeals for their actions. There's a Radiation Health Advisory Committee authority, and the terms of reference are detailed in this, Mr. Speaker. The Act applies to the Crown and comes into force upon proclamation. The application of the Act is noted, and the consequential amendment to the Hospitals Act regarding medical records is included.

General categories of equipment included under these regulations are medical and industrial X rays, ultrasound, high-power lasers, ultraviolet sunlamps, and other such devices. Some examples of radiation-emitting devices not covered under this are television sets, video display terminals — there's been a lot of concern about video display terminals. They have been checked and inspected, and we have found no area where there's any concern of radiation exposure coming from video display terminals. Photocopy machines and microwave ovens are others that won't be covered under

this legislation. These are covered under federal regulations while being manufactured. So safeguards are built into all microwave ovens and video display terminals through federal regulations. I underline that it is not the installation and use of video display terminals or microwave ovens or such devices that is of general concern; the concern is that they are manufactured to a safe standard.

Other categories not under this Act's jurisdiction are radioactive minerals, nuclear reactors, and nuclear warheads, as I have mentioned before. Mr. Speaker, I must underline that these areas of nuclear warheads, nuclear reactors, and so on are of political and social concern to the provincial government but are regulated by the federal government, not the provincial government.

I would be remiss if I did not acknowledge the extensive public participation in drafting this Act. About 450 copies of the proposal were circulated to individuals, corporations, labour representatives, hospitals, provincial and federal departments, and so on. The public's input to the proposal was very positive overall, and the participation has helped improve the Act before us today. I would especially like to thank George Bryce, manager of legislative affairs for the occupational health and safety division, and John Wetherill, director of the radiation health branch, for their patience and assistance over the long period of developing this legislation. As you can imagine, radiation protection is an important but complex issue, and they have demonstrated a continued willingness to explain, interpret, and put together all the required information. There was a lot of repetition there, because it took a lot to get through my head what it was all about. Anyway, I want to express our appreciation for their contribution.

Mr. Speaker, at this time I urge every member to support Bill 8, the Radiation Protection Act.

MR. DIACHUK: Mr. Speaker, if I may make a few comments and also express my appreciation to Mr. Moore for his work and participation with the staff of the radiation protection branch. His presentation was fairly extensive. I just want to add a few words and comments to the introduction he made on March 18 and to share with members of the Assembly that the regulations under the current Act are now under revision. As the Act was extensively reviewed by outside organizations, so were the regulations.

The current regulations did not address such technological advances as lasers, ultrasound therapy equipment, and sun-lamp equipment in commercial tanning establishments. They did not cover such devices as electronic microscopes and security X-ray equipment, because they were not in existence when the regulations were developed some 12 years ago. I wanted to share that once more for the benefit of members of the Assembly. The Act and regulations were due for an overhaul just to keep pace with the technological world we're in.

The new consolidated Act being proposed here before us will continue to be administered, as the hon. member indicated, through the radiation health branch under my portfolio. The new legislation will continue to protect Alberta workers and members of the public from excessive radiation exposure. Mr. Speaker, the new Act will also update the statutory authorities provided under the original Act and in particular clarify the administrative and consultative roles of this government.

As for upgrading the legislation, Mr. Speaker, new sections addressing the fundamental principles of radiation protection are being proposed. These will require that radia-

tion workers are competent. They will also require that workers are made aware of potential hazards and protective safeguards. The proposed legislation specifies that radiation equipment be properly maintained. As well, maximum exposure limits will be established for both ionizing and non-ionizing forms of radiation. The radiation equipment certification process will be streamlined under this new legislation. We've had some cumbersome difficulties with the present, and we believe the streamlining is what the public, the user, wants.

A new provision would require an owner of a diagnostic X-ray facility to establish and implement a quality assurance program, again part of our deregulation and the approach of having the employer, or the owner, and the worker arrive at the safest way to utilize their equipment. Such a program would mean that preventative maintenance of the equipment is undertaken regularly. Adhering to such a program would result in better quality control of radiographs. The end result of such a program is that patient exposure to ionizing radiation will be minimized.

While speaking to Bill 8, I would like to table with this House a report by the radiation health branch on the monitoring program of dental X-ray equipment conducted by the branch from 1982 to 1984. This survey, Mr. Speaker, conducted during the monitoring period, revealed that Alberta dental X-ray equipment on average delivered a lower radiation dosage to patients than average for the North American continent. I think these results are encouraging.

I want to close with the same comments my hon. colleague did. Mr. Speaker, I would like to say that this new Act has been drafted following consultation with the public, the government departments, and the private sector. As the hon. Mr. Moore indicated, between February and April of last year some 450 copies of the discussion document, the draft, were distributed to all identified users of radiation equipment and those who might have an interest in radiation health issues. I'm pleased to say that the comments and suggestions received further improved the proposed legislation, even from what we had on draft a year ago.

I welcome the members of the House to support the amendment before us today.

[Motion carried; Bill 8 read a second time]

Bill 9

Social Care Facilities Review Committee Amendment Act, 1985

DR. CARTER: Mr. Speaker, I move second reading of Bill 9, the Social Care Facilities Review Committee Amendment Act, 1985.

Members of the Assembly will recall that the Social Care Facilities Review Committee Act was enacted by the Alberta Legislative Assembly during the 1980 spring session, assented to on May 22, 1980, and proclaimed on June 10, 1980. Since that period of time the committee has made 2,609 visits as of March 18, 1985, with a record high of 780 visits during the calendar year 1984.

The purpose of Bill 9 is to give clarification to the definition of types of facilities which are indeed visited by the Social Care Facilities Review Committee. Hon. members will see the differences when they compare Bill 9 with the original Act as passed in 1980. In effect, we have given extra categories of definition.

Number (iv), "emergency shelter," takes into account facilities not only for single men but for single women,

otherwise known as hostel situations, and also emergency shelters for battered women and children. Number (v), "residential alcohol and drug abuse treatment centre," would allow the committee to continue to visit these facilities which provide overnight accommodation. Examples of such accommodation would be Henwood or the David Lander Centre. Number (vi) gives a further definition with respect to day care facilities. With respect to the total number of visits made by the committee to such facilities to date, it's 1,071. Number (vii), "a group home or shelter for physically or mentally handicapped persons," refers, first in the case of group homes, to facilities which have four or more residents. The shelters would take into account accommodation for physically and mentally handicapped individuals. Finally, Mr. Speaker, number (viii) talks about "a vocational rehabilitation and training centre for physically or mentally handicapped persons." This relates to workshops throughout the province.

I'd be willing to meet individually or to answer any questions with respect to this Bill at any time, but in effect it truly is a housekeeping matter giving further definition.

Thank you.

[Motion carried; Bill 9 read a second time]

Bill 12 Litter Amendment Act, 1985

MR. COOK: Mr. Speaker, speaking to the principle of Bill 12, the Act deals basically with part 2 of the Litter Act, that section regarding unsightly property. The Act sets up a new appeal procedure for property owners who have a ticket under part 2 of the Litter Act. Basically, the appeal mechanism now will be in the hands of a special litter committee in the municipality rather than in the hands of the Minister of the Environment. In a sense it's a delegation of responsibility back to the local level rather than having control rest with the department and the minister in Edmonton.

There is one exception, Mr. Speaker; that is, where the property involved is owned by the municipality setting up the litter appeal committee. Since there would be some sort of conflict of interest if it were found that the municipality had unsightly property, it was felt that in this case an appeal ought logically to be lodged with the Minister of the Environment. That is the principle of Bill 12.

I move second reading.

[Motion carried; Bill 12 read a second time]

Bill 14 Foreign Cultural Property Immunity Act

MR. ZIP: Mr. Speaker, I wish to move second reading of Bill 14, the Foreign Cultural Property Immunity Act.

The purpose of this Bill, Mr. Speaker, is to enact legislation which will protect material of cultural significance that has been lent to Alberta by foreign states or individuals for public exhibition or related purposes from seizure for whatever cause while it is in the province of Alberta.

These exhibits, of course, enhance the quality of life of Albertans and open opportunities that otherwise would not exist to exhibitors in this province. Alberta has only rarely been the location for exhibits of truly international significance, and it is likely, although it cannot be proven, that our current lack of immunity-from-seizure legislation has been at least partially the reason. If we are in the future

to bring to this province for the education and enjoyment of all our peoples some of the exhibits of art and archaeological material that are of truly outstanding international merit, it is essential that immunity-from-seizure legislation be introduced without delay.

In introducing such legislation in Ontario, the hon. Mr. Baetz, then minister of culture, advised that the magnificent exhibition of paintings from Leningrad's [Hermitage] Museum, displayed in both Winnipeg and Montreal in 1976, bypassed the province of Ontario and, incidentally, most of Canada, because at that time Ontario did not have immunity-from-seizure legislation, whereas both Manitoba and Quebec had recently enacted such legislation principally, I'm advised, to ensure that the magnificent Hermitage exhibition could be seen by the citizens of both provinces. Immunity-from-seizure provisions are now in place in Quebec, Ontario, British Columbia, and Manitoba. It is anticipated that they will be in effect in all provinces in the near future in order that Canadians can benefit from important international exhibition tours.

Through this Bill we are extending the principles of diplomatic immunity to the realm of objects. Diplomatic immunity has long made communication and the mutual protection of individuals and property possible between civilized states whose ideologies may be poles apart. By the same token, if we are to play our part in lessening tension between states and the development of peaceful and rational relationships on this small planet, we must keep as many doors open as we can, including most particularly those involving culture.

To understand, learn, and enjoy, we must be able to lend and borrow the objects on which such understanding, learning, and enjoyment depend. To do so, we must be able to give and receive assurances as to the inviolability of such objects while they are in our care or in the care of those to whom we may lend our treasures. In my view, Mr. Speaker, we simply want to allow the citizens of this province the right to view the great art and cultural collections of this world, a right currently enjoyed by the citizens of most countries of the world and a number of our sister provinces.

In view of the strong economic as well as cultural needs involved in this area, I ask members of this Assembly to support second reading of this Bill.

MR. GURNETT: Mr. Speaker, just a comment about the purpose of this Bill. It concerns me a little bit. Many of the cultural artifacts and items that are being talked about and that could potentially be involved with a Bill like this are, in fact, items that were at various times stolen from groups of people in other parts of the world. I'm concerned that the principle of this Bill implies an acceptance of this kind of robbery and with it a kind of cultural superiority that says that those who in times of war or colonialism have taken possession of, in many cases, very important religious or historical objects or works of art belonging to various peoples have a right to keep them and enjoy legal protection, even though they came to possess them through very questionable means. So I'm concerned about that part of the Bill and the potential it has to take away any legal possibility for a cultural group to make any kind of claim for artifacts or items that are very important to their religious practices or their beliefs in other ways.

[Motion carried; Bill 14 read a second time]

Bill 15
Co-operative Associations
Amendment Act, 1985

MR. NELSON: Mr. Speaker, I would like to move second reading of Bill 15, the Co-operative Associations Amendment Act, 1985.

Mr. Speaker, the Bill is fairly straightforward:

Section 1(b) is amended by adding ", subject to section 59," before "means an association".

I won't delve into that. The main purpose of this Bill, in essence, is to ensure that people deciding to purchase a share in a housing co-operative may do so without having a landlord/tenant relationship, as could be the case with the existing legislation. It is a concern of the housing co-operative association that has addressed this, considering the share-purchase arrangement with the co-operative that has not wanted to continue as a landlord/tenant relationship. Of course, the exception is that should there be a rental or lease agreement or arrangement with the co-operative association, this would continue under the Landlord and Tenant Act and would also be under a landlord/tenant relationship.

Legislation as to whether people should continue money or other things individually or collectively should be their choice and not necessarily legislated. Section 15 is being repealed in such a manner that people would then be able to contribute to a political party of their choice, either individually or collectively, and of course it is felt that this gives the people the rights they so deserve.

Mr. Speaker, the Bill will serve to strengthen the co-operative associations and their desire to provide low-cost, nonprofit housing for those who through need or choice choose to do so.

[Motion carried; Bill 15 read a second time]

Bill 17
Water Resources Commission
Amendment Act, 1985

MR. KROEGER: Mr. Speaker, I'd like to move second reading of the Alberta Water Resources Commission Amendment Act, 1985.

There are essentially two changes. There are now four departments represented on the commission, including Agriculture, Municipal Affairs, Economic Development, and Environment. Having requested the addition of representation from the Department of Energy and Natural Resources, we have incorporated it in this amendment. The other half of the amendment deals with the appointment of a chairman. It simply calls for the Lieutenant Governor in Council being able to appoint any member of the commission as chairman.

[Motion carried; Bill 17 read a second time]

Bill 18
Natural Gas Rebates Amendment Act, 1985

MR. BOGLE: Mr. Speaker, I'd like to move second reading of Bill 18, the Natural Gas Rebates Amendment Act, 1985.

The primary purpose of this Bill is to extend the provisions of the natural gas price protection plan for a further three years to March 31, 1988. On second reading I would like to give some background to the legislation. It's important for all members to recall that it was in 1974 that the hon. Roy Farran introduced legislation to enable the government

to provide what was then called the natural gas rebates plan. This was done at a time when world economic and political conditions were such that there was a rapid escalation in the price of the oil and natural gas throughout the world. Of course, Alberta is not immune to what happens in other parts of the world. Because we export such a large amount of the oil and natural gas that is produced here, both to other parts of Canada and to the United States, there were certainly some benefits for Alberta and for Albertans as owners of that resource. The primary purpose of the plan was to provide some shielding, some cushion to the owners of the resource, the customers within the province. Therefore, the plan was introduced at that time.

In 1977 the plan was modified by Dr. Allan Warrack, the then minister, and a further three-year commitment was given. The new plan established the base cost of natural gas to Albertans at 57.8 cents per gigajoule or 61 cents per thousand cubic feet. The plan also provided that any increase in gas prices above that base cost was to be shared 25 percent by the consumer and 75 percent by the provincial government through the natural gas price protection plan.

In 1980 my predecessor, the Hon. Larry Shaben, put forward a substantially revised plan. Under the new arrangements the provincial support price was established at a price equal to 65 percent of the Alberta border price for natural gas. Under terms of the new plan the government would pay the difference between the support price and the actual price charged by the producer. Along with this revised plan, Mr. Speaker, a new program, the remote area heating allowance, came into effect. The remote area heating allowance was a program whereby there would be some relief to those individuals who lived either inside franchise areas that could not easily be serviced by natural gas or in those parts of the province where it was just not at all economically practical to provide natural gas. The support was limited to 4,000 gallons of propane or 2,700 gallons of heating oil each year or a proportionate combination of both. These quantities are about twice the current annual domestic consumption within the province.

In making the renewed commitment on behalf of the government, a commitment that was announced a week ago today, I drew attention to the input that had been received by Albertans — input that had been directed through members of this Legislative Assembly, specifically through members of the government's utilities caucus committee, through the department, and through my own office.

Mr. Speaker, it's important to recognize that we will be adhering to the terms and regulations of the plan previously adopted in 1980. We will continue to set the base cost for natural gas to consumers at 65 percent of the Alberta border price. The border price currently stands at \$2.80 per gigajoule or, if you're like me and think in imperial rather than metric, \$2.95 per thousand cubic feet. Therefore, the consumer would pay no more than \$1.82 per gigajoule — that's \$1.92 per thousand cubic feet — for the natural gas component of their utilities bill.

It goes without saying that the actual cost to consumers will vary due to a number of factors. One of those factors, which I raised in the ministerial statement a week ago, is the municipal franchise tax. The government has a concern relative not to the concept of the municipal franchise tax, which allows municipalities to charge a fee against utilities like the natural gas provider or the company that provides electricity to the community, but rather with the amount of the tax in three of the communities in the province. It's important to recognize that a number of communities have

no franchise tax at all. They are primarily but not exclusively communities that are served by the rural gas co-operatives. There are examples of communities that are served by one of the investor-owned utility companies that also have no franchise tax. A number of communities have a franchise tax in the 3 to 5 percent range. Still others are in the 6 to 8 percent range. There are three communities that have a franchise tax of 11.1 percent. That means that for the average homeowner who under this program receives a benefit of \$115 for his home in a given year, there's a tax-back of \$68.50, if the municipal government in the community in which he lives has a franchise tax of 11.1 percent. That's approximately 60 percent. So 60 percent of the benefit of the natural gas price protection program, a plan aimed at the consumer, is being taxed back by another level or order of government.

There are certainly no instant solutions to this issue. It's a matter that was addressed in terms of something that would be reviewed by the Minister of Municipal Affairs, myself, and others. Over the three-year life of this program we hope some further conclusions could be arrived at on that particular matter.

It's also important to recognize that the shielding is limited to a maximum consumption of 1.055 petajoules, or 1 billion cubic feet, for any consumer, with the exception of several large public institutions.

Mr. Speaker, the primary commitment we have is based on the philosophy that it is entirely right and just that Albertans, as the owners of natural gas resources of this province, should continue to pay the lowest cost in Canada for the use of their own resource. That's a fundamental principle that we believe in, and it was one of the key elements in our review of this particular program.

In moving second reading of the legislation, Mr. Speaker, I am very pleased to receive input from my colleagues in this Assembly on what I believe to be an exciting program, a program that provides assistance to literally every Albertan living within this province, whether we're speaking of the approximately 650,000 homes that are sheltered through the program, the 66,000 businesses, or the approximately 600 industrial plants that benefit from the program.

[Three members rose]

MR. SPEAKER: I believe the hon. Member for Vegreville happened to catch my eye first.

MR. BATIUK: Mr. Speaker, it's a real pleasure to rise today in support of this legislation. I'd like to commend the minister and thank him for extending this program, which is well appreciated by all Albertans. We have many programs which have been initiated by this government, but sometimes they just serve certain segments of society, whether it's the senior citizens, the handicapped, or whatever. This program brings a benefit to all Albertans, particularly when they are the owners of natural gas.

Prior to 1974, over 80,000 Albertans did not have access to this clean and cheap fuel. Prior to that, people had to use propane, fuel oil, and wood and coal. Prior to the 1970s, I had to use wood and coal. For about four or five years I had propane. Propane was a good fuel; there was nothing wrong with it. It was clean and so forth, but it wasn't quite that convenient. You had to have a tank, and many times you had to have it quite full because when the severe weather came, it had a tendency to gel. When it was 40 below, you found yourself freezing in the house,

and you had to put some heat under the tank to get that propane moving again.

But in the mid-70s the price of propane started rising at a rapid pace — not that the cost of propane was the cause of it; it was the transportation of it. The person transporting the propane needed a truck, which was valued at well over \$100,000, and the driver took \$20 per hour. There was a limited amount you could haul; you could probably only serve each of the customers several hundred gallons. The cost of propane was escalating at a rapid pace. When the Rural Gas Act came in in 1974, it brought this cheap fuel. At least it was available to most of the 80,000 people who were not able to have it before. Along with that, there were subsidies to help the people in the rural areas get that.

Because this program was going out at the end of March, I had several hundred letters sent to me, particularly by people in the Lamco and Minco gas co-operatives, requesting that we pressure the minister to continue this program. The gas co-ops were quite good at lobbying. When they sent their bills out, they notified all their members: "Here's a circular letter; fill it out and turn it back to the gas co-op. When we have them all compiled, we'll give them to the M.L.A." Many people sent them directly to the members. As I said, I must have had at least 300 of those letters. I turned them over to the minister, and he promised that he would respond. The nicest thing was that several weeks later two directors from the Lamco gas co-op brought 600 of those petitions nicely bundled up. Whether or not they all got responded to, they landed on the minister's desk.

When we look back slightly more than 10 years, Alberta was exporting 87 to 88 percent of the natural gas. Only about 12 percent of it was used in Alberta. Twice that amount is used today, because only about 75 percent is being exported. It shows that this program is well used, and when you see that there is a \$130 million saving a year to Albertans, I think this program is well appreciated. The people show it. I'm glad the minister brought this back, and I urge all hon. members to support this legislation.

MRS. CRIPPS: Mr. Speaker, I just want to take a minute to support second reading of Bill 18, the Natural Gas Rebates Amendment Act, 1985. As chairman of the utilities committee, I have had the chance to review the Bill and the reason for its introduction and the public support we have received for the continuation of this plan.

Mr. Speaker, I believe this Bill illustrates the advantage and the judiciousness of legislative sunset clauses. If the legislation is beneficial, the public will request a continuation, and if it's bad legislation, at least it will eventually die a natural death, as well it should. I think this legislation illustrates the advantage of putting a sunset clause in some of our legislation. In this case the public has made it clear that the natural gas rebate protection plan is a desirable program, that they appreciate the program, and that they would in fact like to have it continued. We've received thousands of letters supporting and requesting continuation of the program.

I guess I support the policy of Albertans having the use of a provincial resource at as reasonable a price as possible, and therefore I support second reading of Bill 18.

MR. TOPOLNISKY: Mr. Speaker, I wish to say a word in support of Bill 18, the Natural Gas Rebates Amendment Act, 1985. On behalf of my constituents, I wish to commend the congenial minister, his department, and the government

on the very important decision to extend the natural gas price protection plan to March 31, 1988, an additional three years. I also wish to commend and thank the hundreds of constituents for their correspondence in the last two years expressing their appreciation for the government's beneficial program and making a request and an appeal to continue the program for at least another three years after March 1985.

I wish to further commend the Federation of Alberta Gas Co-ops for the work the members are doing in promoting the price protection plan, and I wish to emphasize what the federation said in their brief to the utilities caucus committee just last week: that the natural gas price protection plan is one of the fairest price relief programs ever produced by any government. It makes an Alberta product available to Albertans at an equitable cost. It does not discriminate between urban or rural, domestic or commercial, large or small, young or old. It makes good sense for the taxpayers' dollars to support the areas of home heating, agricultural production and processing — thus reducing farm input costs — and local business in every community, and is a direct benefit to the senior citizens.

Mr. Speaker, on behalf of my constituents I support this very basic and unique natural gas price protection plan, Bill 18, which will continue to be in effect to benefit all Albertans until March 31, 1988.

MR. LYSONS: Mr. Speaker, I'd like to take a moment to support Bill 18. It's one of the really great benefits that we receive in Alberta. It's a sharing of our great fortune in having natural gas that the province, by and large, owns and can share the royalties with the consumer. Every constituent I have would certainly support it most heartily. As a person who is very much involved in helping rural natural gas co-operatives get organized, on their behalf and on behalf of my constituents I would like to thank the minister and the government for again bringing in a very worthwhile program.

MRS. EMBURY: I'd also like to add my support to the Bill that is presently before the Assembly on second reading. Considering that all the members who have spoken have been from rural areas, I thought it only appropriate to say, on behalf of all my colleagues from the two large centres plus the other cities, that the constituents in our areas are also very grateful for this. We probably did not have the response that some of the rural MLAs had regarding this issue, but I can speak for my own constituency. I had people phone me about it. I had an interesting call from one constituent who stated that a lot of people in Ontario were very hesitant to change their fuel to natural gas because of a fear of explosion. In this province, when we have been graced with natural gas for such a long period, it seems hard to believe that people wouldn't appreciate the advantages of using it.

We are very, very fortunate that we have a minister who has been receptive to MLAs' concerns that were brought to his attention from all across the province, and I am very pleased to be part of a government that would assess a program that, as has been mentioned before — it is an ideal situation when you have what we might term sunset legislation: a program introduced for a certain length of time and then it's assessed to see if it's of benefit. It's a real pleasure to be able to say that the program will be extended. I fully support this Bill and encourage all members of the Assembly to do likewise.

[Motion carried; Bill 18 read a second time]

Bill 20

Fatality Inquiries Amendment Act, 1985

DR. ELLIOTT: Mr. Speaker, it's my pleasure to move second reading of Bill 20, the Fatality Inquiries Amendment Act.

By way of a little bit of background, I can point out that in 1984 there was a task force on fatality inquiries appointed by the Attorney General and chaired by the Honourable Mr. Peter Greschuk. The mandate of this task force was to identify all public policy concerns surrounding the mandatory privacy of medical records information under the Mental Health Act and the Hospitals Act. You notice, Mr. Speaker, that they made reference to the mandatory privacy of the records. The second portion of their mandate was to make recommendations respecting legislative alternatives which might better balance the competing public policy needs identified in these provisions. The task force met several times in 1984. They completed their report in September 1984, and I can summarize some of the highlights of that report as it pertains to the background of this legislation.

The task force studied legislation from other jurisdictions across Canada and around the world. They studied some recent judgments and received letters and briefs from individuals and groups. They studied several examples of fatality inquiries reports that had been submitted to the Attorney General respecting deaths that had occurred in our provincial institutions, and they examined in detail the type of information that went with these reports.

In summary, the briefs that were reviewed by the task force came up with three main approaches to the topic of confidentiality and privacy with respect to information. Some of the approaches presented included the recommendation that legislation is satisfactory as it is and that it should stay without any liberalization. The second approach recommended the abolition of all privacy provisions for receiving testimony. Approach number three was that the presiding judge at a public inquiry have discretion to allow the disclosure of certain information of the patient, in the public interest, as he sees fit.

Bill 20 responds to the recommendations of this task force. The major changes can be summarized as follows. I have them very briefly identified in eight items. First, to amend and delete certain provisions in the Hospital Act and the Mental Health Act that would more appropriately be set out in the Fatality Inquiries Act; two, to give the presiding judge discretion. Mr. Speaker, the key to the amendment of this Bill is the discretionary powers given the presiding judge. This changes the mandatory privacy provision of holding hearings in private to be open to the public, except for those cases where the judge rules that the private interest would not be best served by going to a public meeting.

Three, the information and evidence would be considered in the hearing only if the judge considered it appropriate. Four, a person is prohibited from refusing to produce a document unless the judge agrees that it is appropriate for them to refuse. Five, it is an offense to release information and evidence heard in camera. Six, evidence heard in camera will not be included in the report to the Attorney General if it is likely to cause harm to anyone, unless the judge and jury are satisfied that to do so is essential in the interest of justice. Seven, to further protect the public and individ-

uals, the Act points out that the judge has a duty to refuse irrelevant information. Eight, the judge's decision is final and there is no option for appeal. An appeal in this process, Mr. Speaker, would be considered too disruptive and unnecessary with respect to the requirements of the Act.

With those few comments, Mr. Speaker, I move second reading of the Bill, and if there are any questions, I'm sure the Attorney General would be most happy to assist with the responses.

[Motion carried; Bill 20 read a second time]

Bill 21

Hospitals and Medical Care Statutes Amendment Act, 1985

MR. RUSSELL: Mr. Speaker, I move second reading of the Hospitals and Medical Care Statutes Amendment Act, 1985.

This Bill is typical of what a department such as the one I'm responsible for must bring to the Legislature from time to time in order to bring forward for approval a number of rather routine but necessary amendments to a variety of Acts. Members who have had the opportunity to examine the Bill placed before them will see that there are eight Acts amended by this statutes amendment Act, most of which are of a relatively minor nature. I can touch the highlights, however. There is a series of amendments that will bring the two provincial mental health hospitals into legislation relating to the establishment of hospital foundations, which we passed previously. This follows a request and concern by the boards of those hospitals that are anxious to get their foundations established and operating. At the same time, it incorporates a number of minor amendments with respect to foundation legislation already in existence and applies to all hospital foundations in the province for those others.

It does another thing which I believe is important. It gives the Alberta health care insurance plan the legal authority to pay for services that the government has approved and now requires the legislative authority to back it up. One of those is the very important bonus system of payment to doctors in underserved areas. In my view, this is quite an exciting plan, which was worked out in conjunction with the Alberta Medical Association. Based on a point system, given for a number of criteria, it can pay bonuses of up to \$40,000 for a doctor who is willing to practice in an underserved area. It is not unlike programs brought forward by other provincial governments. We are learning from each other in this respect.

There is a variety of ways of doing this. Some simply attach a bonus to the fee schedule. Some draw lines in certain parts of the province and pay their doctors more depending on which side of the line they're on. Some give basic start-up grants. The one Alberta has devised and is proposing to pay for tries to recognize, I think, some of the unique characteristics that are present in the prairie regions of our country; that is, the long distances, the relative isolation from the larger metropolitan centres, the number of doctors who may be nearby to assist or be on call when a doctor wants time off. A variety of points are awarded to doctors for each of those circumstances. It's possible to build up a large score and receive payments of up to \$40,000 bonus, on top of regular earnings. So we hope this is going to help those communities that meet those criteria.

Another thing that I hadn't realized the Act prohibited was payment for renal dialysis treatment for Albertans who are travelling and receive that treatment in clinics rather than approved hospitals. The Provincial Auditor has brought to our attention that, strictly speaking, we should have the legislative authority to do that. We have been doing it, and this will confirm that the practice will continue, because being able to get that treatment paid for certainly has been a great help and means of assistance to those people who require dialysis.

Those are the major changes, Mr. Speaker, without going through the statutes amendment Bill, Act by Act. I think I should stop there because if I go much further, I'll really be going into the detail that's suggested at committee stage of the Bill.

Members will probably have noticed that under the Health Care Insurance Act, it will also give us permission to penalize those parties who are withholding the payment of premiums. When we track them down now, all we can collect are past premiums. There are people who are withholding, on either an individual or a group basis, premiums which are due to the government, so we would like the authority to develop regulations which will permit the levying of penalties, just like any other overdue account.

With those comments, Mr. Speaker, I'll conclude. I think the amendments are good ones and are another ongoing step in improving the delivery of health care services in Alberta.

MR. BATIUK: Mr. Speaker, I'd like to say in a few words how pleased I am that there is recognition to provide an extra allocation to doctors serving in outer areas. Serving a rural constituency, I could see that some areas were finding it very difficult to have a resident doctor because of the many inconveniences, particularly in a community where only one doctor served the area. He's on call 24 hours a day, seven days per week. Another thing: if he's there by himself, he can't practise surgery, which is a real distraction for many of the doctors to go to rural areas. With a provision such as this, there will at least be encouragement, some extra compensation for those who have to make sacrifices by serving a rural area.

I know very well one physician in our home town who served as a medical practitioner for 50 years. During the early years there were only three people in the community who had cars, so the doctor served as the ambulance, the medical practitioner, the taxi, and everything else. He lived with that. It meant he spent his entire life with that, but things have changed. Nowadays it's quite difficult to encourage a young practitioner to go to rural areas, so I'm glad of this provision to compensate these medical practitioners.

MR. WEISS: Mr. Speaker, I'd like to withhold questions until committee stage, but prior to that stage I ask that the minister prepare some advance information, if he would, with regard to disparities or inequities I have with regard to some of the outlying rural communities that have not met the criteria under the first go-around. If he could perhaps review that prior to committee stage, it would help the questions at that time.

Thank you.

[Motion carried; Bill 21 read a second time]

Bill 25
Local Authorities Election
Amendment Act, 1985

MR. PAPROSKI: Mr. Speaker, I move second reading of Bill 25, the Local Authorities Election Amendment Act, 1985.

I believe a brief history is in order, Mr. Speaker. During 1982 an interdepartmental committee, with the assistance of local administrators, undertook a consolidation of the Municipal Election Act, the School Election Act, and the regulations respecting the election of hospital and nursing home board members. Its report was distributed for comment in the fall of 1982. At the 1983 spring session of the Legislature, the Local Authorities Election Act was enacted and was used for the first time in the October 1983 local elections. Following these elections, the interdepartmental committee was reconvened to review the experiences of the first use of the Act and to recommend amendments which would clarify or correct deficiencies in the legislation. Some deficiencies which were identified prior to the elections were dealt with by regulations under section 160(1) of the Act. These regulations ceased to have any effect after the last day of the 1984 session of the Legislature.

The purpose of this Bill then is to clarify and simplify the conduct of general municipal, school, and hospital elections. The 37 technical or procedural amendments have been developed in consultation with persons responsible for the administration of elections: the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties, the Alberta Association of Improvement Districts, the Alberta Rural Municipal Administrators Association, a local government administrators of Alberta association, and numerous other mayors, et cetera.

The following, Mr. Speaker, are three main series of amendments that I would like to highlight. The first series deals with machine vote recounts. The Bill proposes a rewrite of section 84(2) respecting the contents of a bylaw describing procedures for a machine vote. It adds that the bylaw shall prescribe for a recount by the returning officer. This only affects the city of Edmonton. There is provision for a recount in all other municipalities, and under the provision Edmonton is able to prescribe procedures to fit its own situation, following as nearly as possible the general procedures in the Act.

The second series of amendments deals with one place to vote. Amendments 36, 37, and 47 of the Bill propose that an elector be able to vote only at the voting station for the voting subdivision in which he or she resides. This will make it easier to identify an elector as eligible to vote and harder for a person to try to vote more than once.

A third series of amendments deals with common times of declaration. The Bill proposes that the official results of all elections be announced or posted at noon of the fourth day after the election. At present, if there is only one voting station, the declaration can be made following the count. A series of amendments will provide common procedures in all jurisdictions as follows: first of all, 48 hours, down from 72 hours, to request a recount; secondly, the recount must be completed by noon of the fourth day; and thirdly, the official declaration at noon of the fourth day.

Some other amendments that I'd like to highlight, Mr. Speaker, include the following: a clarification of the term "officer" throughout the Act; secondly, candidates' agents must be at least 18 years of age; thirdly, amendments permit proprietary electors to sign nomination papers in a summer

village; fourthly, amendments reduce the residency requirement for those wishing to be a candidate from 12 months residency in Alberta to 6 months, bringing this legislation in tandem with the Election Act; next, the Bill clarifies the taking of votes from incapacitated voters in their homes as well as in institutions; and an amendment also permits TV cameras, school groups, and other groups to temporarily visit the polling station.

I urge members to support this Bill. It will simplify the conduct of local elections.

[Motion carried; Bill 25 read a second time]

Bill 27
Credit Union Amendment Act, 1985

MRS. OSTERMAN: Mr. Speaker, I move second reading of Bill 27, the Credit Union Amendment Act, 1985.

While the provisions in the Bill with respect to regulation-making capacity in a number of matters are not major in and of themselves, I think it's important that I lay some base for the Bill being presented in the spring sitting of the Legislature.

Mr. Speaker, approximately one year ago the credit union system acknowledged that they indeed had some financial problems. I think they felt that those problems were ones which they could handle and work out with respect to a number of the specific credit unions through their Credit Union Federation. Within a number of months of their first contact with me and our having raised questions with respect to a number of the financial statements, the system acknowledged, as I said, that they indeed had some problems that probably would require our assistance to work out.

I think hon. members will recall, Mr. Speaker, that in September of this year we reached our final conclusions, having looked at the system carefully, though not in the kind of financial detail we wanted, and realizing that the credit union system for the province of Alberta was a very integral part of many communities. Rural Alberta has historically relied in a great many instances on the credit union system. We've seen them in the province, through thick and thin, always able to manage through their democratic process to have fine people in place who operated the system well with respect to the kind of financial times they would have seen.

Over the course of the last three or four years we've seen quite a change in the financial community in Alberta. Certainly, the credit union system was not above being affected by that change. Various institutions that have had some comment made about them in the press have, for instance, suffered as a result of the decline in real estate values. The credit union system, being an integral part of the province's financial scene, not only took deposits from Albertans but obviously turned around and made those deposits available to people who were seeking loans throughout the province. So we have a completely indigenous system. In my view, we haven't always had financial institutions that want to play a great role in this province; as I said, through thick and thin, credits unions have been there.

Mr. Speaker, we are in a situation where, as of last September, the government made an announcement through our office that we would be financially supporting the stabilization corporation in a backstop position. Hon. members will recall that on occasion I have described the

Stabilization corporation as being analogous to the Canada Deposit Insurance Corporation, which is the insurer for depositors on the national scene and deals with trust companies and a number of other financial institutions, including banks, but not the credit union system, except in some cases where they may act as a lender of last resort.

You have the government announcement in September for the backstopping of the stabilization corporation. At the same time, there was another very important announcement, and that was the formation of a task force. There are two fronts that I think had to be addressed. One, the immediate problem of ensuring liquidity in the system, ensuring that a number of the credit unions which showed the greatest debts were in hand and that their finances were being reviewed by a very capable group of people who indeed had some experience in terms of today's financial markets and scenes.

The second very important area to be addressed was the long term. I felt they should be separated: the short term with the stabilization corporation immediately moving in to address the immediate financial situation, and then the task force and their addressing the long term. By that I mean a number of things. The credit union system is very different from other financial institutions. There is no equity in their system. There are no shares with respect to the type of shares we see and understand with respect to other financial institutions. There are the minimum shares that they call shares, which don't necessarily reflect equity in terms of an individual credit union member putting down an amount, depending on the particular credit union operation. But it's not in the same terms as we understand with respect to our other financial institutions. That was one area that was important to address. I think all of us realize that when financial institutions have their peaks and valleys, normally those are levelled out by the shares in terms of equity that are held by citizens. Then, of course, there's a reflection on what the return may be on those shares. In a little tougher time there is little or no return, but that's the way of smoothing out those peaks and valleys.

There are several other areas, and a very important one is the role of the stabilization corporation. There is a piece of legislation that sets up and prescribes the operation of that corporation. I believe it goes back close to 15 years, although it's been around in some form for some 35 years. Again, given the financial situation, not only in Alberta but across the country, and a possible change with respect to how a number of institutions are operating, I think it's important for the credit union system to be looked at closely, not only by the task force but by all the members, the individual organizations, their umbrella organization — the Credit Union Federation — and within that look, describe how they see their system in the future, describe how they see a backstopping arrangement for that system.

It's opportune that the federal government is reviewing the role of CDIC as guarantor of deposits in the institutions I have mentioned. Of course, those deposits have a limited guarantee; it goes to \$60,000. Interestingly enough, historically credit union members have accepted and believed that they had an unlimited guarantee; it wouldn't matter what the amount of the deposit was. Reading the legislation carefully with respect to the stabilization corporation, if you were to get into a detailed legal argument, I guess one could question precisely what that section means. So it's obvious that that must be addressed. Members and the public should have a clear idea of precisely what the guarantee means.

If there's one thing I think we've seen over the course of the last couple of years, it's confusion in the minds of the public: what sort of guarantee they have with respect to their own financial institution, be it credit union, bank, trust company, or another type of loan company we may see operating in other provinces. There is confusion in their minds as a result of some deposits even being treated differently, and that's an area that certainly has to be addressed, as well as, and very importantly, the obvious lack of understanding between investments and deposits. We see that time and time again in this Legislature, when a number of our companies that are investor companies — these companies don't attract any guarantee whatsoever, yet they're mentioned in the same breath as our so-called financial institutions that, by legislation, have some guarantee, whether it's an insurance company or the other institutions I have mentioned that operate with some sort of legislative guarantee and scrutiny by regulators.

Mr. Speaker, we're into a fairly complex matter. I don't know whether I've explained it well in order to lay a base for the kinds of discussions and review that are going on and, indeed, in the case of the stabilization corporation some overt moves that have now been made. We were into an announcement and some discussion in the question period with respect to the entity the stabilization corporation will have that's a subsidiary corporation under them, handling the real estate portfolio with respect to credit unions.

Mr. Speaker, insofar as the legislation itself is concerned, it has wide regulation-making capacity. My reason for trying to take the opportunity to lay a base with respect to this matter is to explain that the reviews are ongoing. There will be recommendations coming in on an ongoing basis. Some things that we see may be required to be done immediately; others may take as long as next fall or winter to put in place. In my view it would not be in the best interests of the credit union system to delay any of the moves that could be made immediately, because all people connected with the system are looking for improvements, for changes in respect of their operation, and are looking for them quickly.

So, Mr. Speaker, the wide regulation-making capacity is to accomplish that. At the earliest opportunity, when a number of the particular changes have been made that in some cases we might ordinarily see in legislation as opposed to regulation, it would be my intention to bring forward legislative amendments that would replace the regulation, depending on what it has had to be. That's one view, looking a long way down the road.

One other quick comment with respect to a provision that has a sunset clause. We're looking at, for instance, a suspension with respect to elections. There is ordinarily an election every spring, when the annual meeting of the credit union system is held, to elect a member from the system at large to the board of directors of the stabilization corporation. Hon. members may recall that this is a five-member board. One member is appointed by the minister. Three members are appointed through the Credit Union Federation themselves, and they have worked co-operatively with me to see to three new appointments there. We now have in place one member from the system at large, who was elected last year. In the interest of continuity, we believe it's very, very important that the membership of that stabilization corporation, if possible, stay the same. So it is my intention to ask that particular member to serve yet another term, and for one time only — hopefully it will be one time only — we have a suspension of the election of a member from the system at large in this case.

Mr. Speaker, hopefully I've outlined the regulation-making capacity and the areas it will be addressing with respect to, as I said, the broad, regulation-making capacity in this Bill. I'd be pleased to answer any questions hon. members might have.

MR. LYSONS: Mr. Speaker, I too would like to speak on Bill 27, the Credit Union Amendment Act. I would like to take this opportunity to thank the minister and the government for the backstopping the province did for the credit unions to prevent a tremendous run of money out of the system.

As the minister said, the credit union system is unique and unlike any other financial institution. It's operated by its own members. This is one of the few times the system really ran short of money, where the system itself couldn't absorb the losses. I'm led to believe that on the basis of the loans, the actual losses were really not that far out of line. The problem came with the media coverage of the possible demise of the system. The credit union system grew in relation to the economy, and it overgrew, if you like, the security base that was in the guarantee reserve, which is a reserve that each credit union has to protect itself from bad loans. The other fund, the Credit Union Stabilization Fund, was simply not large enough or capable enough to handle it.

I have a family member who's managing a branch now, and it's interesting to know that until very recently they had trouble getting money out on loan. They had excess savings or deposits, and they didn't have enough borrowing. But in recent weeks and months the banking system has been drawing in its loaning, so the credit union system is now starting to be there for the reason it was brought in in the first place, when the banks pulled out of western Canada.

Traditionally the credit unions grew when times were tough. In the past few years, credit unions grew when times were good, and they just sort of outgrew themselves. If you look at the different periods of time on a graph, when times were tough, particularly in rural Alberta, if there was a crop failure or some problem in the local economy, then you saw growth and climbing assets in the credit union, particularly in loans — mostly in loans. We had a lot of people who would deposit money in a credit union to filter it through the system, so it wasn't Dad or Uncle John loaning to a family member. Having had the experience of working in a credit union for a number of years and enjoying it immensely, I've seen that happen so many times: Mom and Dad simply would not loan the money to another family member but would make the deposit so the credit union could do it — not for the safety of it, but if you're going to get the kids out of the nest, you may as well make them work in the same system that most every other person does.

If she would, I ask the minister to wait a while before this Bill goes through for third reading. There are a number of people I would like to talk to regarding this Bill. I didn't think it would come up today. I intended to do some work on it tomorrow morning. I would appreciate it if the minister could do that, so I could get a little more of my homework done. I don't see any problem in supporting the Bill in any way. It's just that I would like to be sure, so that if an amendment or a period or a comma were required, we'd be able to do that and not clog up the system.

Thank you very much.

MR. GOGO: Mr. Speaker, I wish to make some comments with regard to Bill 27. That the House must support the

amendment is self-evident. I don't think there is any option but to support the amendment.

It's 10 years ago this coming May that we passed the Credit Union Act in this House. The Member for Stettler will well remember. He had ministerial responsibilities at that time that covered this area. That great Act then said that we probably wouldn't have to look at the Credit Union Act again for all time, and here we are less than 10 years later.

We bailed them out on the one hand. Why has that happened? It's happened because many of us in this House, in our anxiety to see that they became a quasi-bank or a bank, pushed onto the credit unions responsibilities for maintaining such things as certain housing programs, certain other programs that we as members said it was unfair to allow just the banks to have: "Let the credit union handle it as well." I remember well the amendments in this House allowing credit unions to assume certain responsibilities.

There's no question, as the minister mentioned, that running a credit union today is different from the co-operative movement that started 75 or 100 years ago. Credit unions were designed for certain purposes. Some people say they got too big for their britches. They've become much more than that. They've become complex; you have to be a CA to understand. No wonder they're in trouble. How can we expect someone who farms all day to make loans at night? They've become extremely complex. Many members in this House have been directors of credit unions.

When we look at section 4, I think it's a shame in a way that it's necessary to make that amendment, that the cabinet must make regulations governing any power over credit unions. The cabinet must make the approval of loans and investments. I frankly think that there are many seniors in this province who built the credit unions who wouldn't be very proud today to see what direction they've gone. The Member for Vermilion-Viking said, too much growth too quickly. Maybe that's the reason. But here we have another example of a government committed in principle to deregulating, through its throne speech and members chairing committees and other things, that turns right around and gives more power to the cabinet to make regulations governing a very basic concept of a credit union. It's necessary all because of the so-called good times.

Mr. Speaker, we have no option about supporting the minister and the government with the Bill. This should give us cause to think about the future of similar legislation when we launch it with such fanfare.

MR. PURDY: Mr. Speaker, in view of the remarks made by my hon. friend for Lethbridge West and in view of the time, I beg leave to adjourn the debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

[The House recessed at 5:26 p.m. and resumed at 8 p.m.]

MR. HYNDMAN: Mr. Speaker, I have received certain messages from Her Honour the Honourable the Lieutenant Governor, which I now transmit to you.

SERGEANT-AT-ARMS: Order!

MR. SPEAKER: Her Honour the Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1985, and recommends the same to the Legislative Assembly.

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Please be seated.

head: GOVERNMENT MOTIONS

4. Moved by Mr. Hyndman:
Be it resolved that the messages of Her Honour the Honourable the Lieutenant Governor, the estimates, and all matters connected therewith, be referred to the Committee of Supply.

[Motion carried]

5. Moved by Mr. Hyndman:
Be it resolved that the Assembly do resolve itself into committee when called to consider the supply to be granted to Her Majesty.

[Motion carried]

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

head: BUDGET ADDRESS

MR. HYNDMAN: Mr. Speaker, this is a budget of economic recovery and renewed growth.

The indicators of employment stability and growing confidence are increasing. Alberta's economy, powered by the energy sector, is expanding at a sustainable pace. Albertans are looking ahead with self-assurance and recharged enthusiasm. Nineteen eighty-five will see most sectors of our economy broadening and expanding.

Realistically, some sectors are not yet on the recovery track, and sadly, some Albertans are still facing difficult problems. Major economic transition is never easy. Structural change is a wrenching experience. But this government has done more than any other to help cushion its citizens from the worst of the adjustments of the past two years.

Alberta is a trading province. When there is a tremor in world commodity markets, we feel the aftershocks — good and bad. Short-term uncertainties surround our key export commodities. But this should not diminish our confidence, because the Alberta outlook is bright. This is a province of opportunity; we are now poised for years of steady growth and of job security.

The objective of this budget is to keep the wheels of recovery moving towards the goal of steady, long-lasting growth. This budget sustains the momentum of recovery not by "quick fixes" but by building on strengths. It is

based on responsible financial management. It continues to constrain government expenditure and reduce the size of the public service. However, there is no sacrificing of our quality people programs or assistance for those in need. This budget provides unparalleled employment aid and student financial assistance. It supports permanent, new jobs by continuing a stable, low-tax climate conducive to private-sector expansion, investment, and job creation.

Economic Situation and Outlook

Alberta has an open economy. We export one-half of all resources extracted, goods produced, and services generated. As a result, our economic performance is heavily influenced by economic developments outside our borders.

There were major improvements in the external environment in 1984. Alberta's largest trading markets, the United States and the rest of Canada, experienced solid economic growth.

The United States economy grew at an exceptionally strong rate of 6.7 percent in real terms. The Canadian economy benefitted greatly from its strong trading ties with that country, posting real growth of 4.7 percent for 1984. Another major plus was the reduction in inflation throughout the industrialized world.

There were some negative factors at work in 1984: real interest rates remained relatively high, energy markets were unstable, and markets for petrochemical products remained soft. Grain and livestock prices were artificially low due to the subsidization policies of some of our major competitors.

Conditions outside Alberta should improve in 1985. The United States economy is forecast to achieve real growth in the range of 3 percent. Although this is a more moderate rate than last year, the expansion will be broadly based and will provide stimulus to most of Alberta's exporting industries. Continued growth is also expected in Pacific Rim countries which will provide Alberta exporters with opportunities for increased sales.

The Canadian economy is forecast to continue expanding in 1985. Real growth is estimated at 2 percent. Perhaps the single most important development in the Canadian economic outlook is the renewed sense of confidence in the country. This has been bolstered by such positive factors as the ending of the Foreign Investment Review Act, a favourable business attitude by the new federal government, and prospects for improved federal/provincial co-operation.

In a federal system such as Canada's, it is essential that first ministers work together in a spirit of co-operation. Recognizing that differences are inherent in a diverse country such as ours, it is very important that first ministers strive to find a consensus on national economic policies. At the Regina Conference of First Ministers in February, investors and consumers clearly observed an atmosphere of co-operation. The tough issues to resolve, though, are still to come.

Some negative external forces persist in 1985. World oil markets continue to be jittery, interest rates remain high, and protectionist positions are more visible in some countries.

The Alberta Economy

In looking back at Alberta's economic performance in 1984, what stands out is our basic economic strength relative to other parts of Canada. Alberta has

- the highest family income after provincial taxes,
- the highest per capita construction expenditure,

- the highest proportion of working age population employed, and
- the highest retail sales per capita.

With the exceptions of the building construction industry and agriculture, all other Alberta economic sectors performed well in 1984. Improvements were increasingly evident as the year progressed and the pattern of recovery became clearer. This recovery was not simply a burst of temporary activity in a single sector. It was broadly based; it was a consolidation of past economic gains throughout the economy. It marked progress toward our goal of stable and long-lasting economic prosperity. Further progress will be made this year. Alberta should grow at a healthy and sustainable pace in 1985 and 1986.

Real gross domestic product is expected to increase by 2 percent to 3 percent in Alberta in 1985. Exports, led by oil and natural gas sales, posted strong growth in 1984 and are expected to increase further in 1985. With higher levels of oil- and gas-related investment, total Alberta investment is forecast to grow this year by 4 to 7 percent in real terms. Total consumer expenditure should grow by about 1 percent after adjusting for inflation, and per capita retail sales should continue to be among the highest in Canada.

Low inflation was one of the economy's bright spots last year. The average of the Edmonton and Calgary consumer price indices increased by only 2.6 percent, compared to 4.4 percent for Canada as a whole. Inflation should remain below the national average this year, at between 3 and 4 percent.

Oil and Gas

The oil and gas sector is a mainstay of Alberta's economy and will remain so for the foreseeable future. Its performance in 1984 improved, and prospects are for further progress this year. Drilling activity increased by over 20 percent last year, and the momentum should continue in the current year. Petroleum lease and licence bonus payments in 1984 showed a 45 percent increase over the 1983 level, a clear indication of renewed investor confidence in this industry. Cash flow from upstream operations has improved significantly as a result of the 1982 Alberta oil and gas activity program.

Production of crude oil and equivalent increased by an estimated 5 percent last year. A further production rise of 2 to 5 percent is expected this year as output of synthetic and experimental oil is forecast to reach an all-time high.

Alberta natural gas sales rose by over 8 percent last year, with increased penetration in all markets. Sales in Alberta were spurred by the increased feedstock requirements of our petrochemical industry. Major gains in national industrial activity and more normal weather conditions boosted sales in the rest of Canada by 10 percent. The new market-responsive pricing regime for sales to the United States helped increase natural gas flows south of the border despite extremely competitive market conditions.

This year natural gas production should improve significantly. The largest sales gains are expected in the United States market, where our natural gas is now more competitively priced. Further sales gains in the Alberta and Canadian markets are also expected.

Despite its fundamental strength, our oil and gas industry remains vulnerable in the short term to the fragile world energy situation. Decisions taken in the Middle East can have a direct impact on the industry's short-term perform-

ance. However, with non-OPEC oil production peaking, Alberta's intermediate-term prospects look good.

From a longer term perspective, Alberta's oil and gas industry will remain a secure supplier for decades to come. Additions to our conventional reserves of oil exceeded production in 1983, proof that there is more oil to be found in Alberta. Synthetic oil production continues to increase. The numerous nonconventional oil sands extraction operations now being built are a clear recognition of our province's position as one of the world's most secure sources of fossil fuels. The shrinking gas bubble in the United States combined with the new export pricing policy speak well for the future of the natural gas industry. The oil and gas sector will continue to be a pillar of Alberta economic strength.

Agriculture

A combination of factors made 1984 a difficult year for Canadian farmers. In Alberta a severe drought in the south, an early snow cover in most of the province, and weak world grain prices combined to reduce farm incomes. Over the past few years, prices of agricultural products have not kept pace with costs of production. Foreign agricultural subsidies have kept many commodity prices artificially low although costs of production have increased year after year. As a result, some farmers are now in financial difficulty.

A return to more normal weather conditions should increase agricultural output this year which would strengthen farmers' balance sheets. Many of the province's agricultural support and input-cost assistance programs will be especially helpful in the year 1985. In particular, the farm fuel distribution allowance will continue to provide significant help in containing farm input costs.

As the government's successful drive to increase food processing keeps expanding, agriculture will become an increasingly significant creator of jobs for Albertans.

Federal leadership in the implementation of a national tripartite red meat stabilization program would go a long way towards improving the security of our red meat industry.

The longer term prospects for our agriculture sector remain bright if we maintain our aggressive marketing efforts around the world. A reduction of trade barriers in the United States and the Pacific Rim would be particularly positive for Alberta agriculture.

Construction

Engineering, industrial, and institutional construction was sustained in 1984. Major private-sector projects with large job-related impacts in 1985 include

- Syncrude's expansion and Suncor's upgrading of their oil sands plants in Fort McMurray,
- ESSO Resources' Cold Lake heavy oil extraction facilities,
- drilling activity in preparation for the Husky oil upgrader, and
- gas plants and enhanced oil projects.

This sector of construction should be up about 5 percent over the 1984 level when combined with our capital programs to be outlined later.

Due primarily to the excess inventory of apartments and commercial offices built in the late '70s and early '80s, building construction activity was low in 1984 relative to the past. This oversupply is being absorbed gradually and the worst is over. However, we have to accept the fact

that our existing building construction capacity exceeds our probable future peak requirements.

Housing starts totalled 7,300 last year and should remain at this level or be slightly better in 1985. Renewed activity in the residential and commercial sector will not bring a return to the unrealistic levels of the late '70s and early '80s. What we should experience this year is the first step in the return of this sector of Alberta's construction industry to more stable long-term growth.

Despite the building construction industry's excess capacity, total construction expenditure per person in Alberta is still the highest in Canada and is forecast to remain so.

Manufacturing and Processing

Manufacturing activity improved in 1984, and further gains are expected this year. The total value of manufacturing shipments rose by 7.3 percent, and most components of the manufacturing industry experienced an increase in the value of shipments. In the food and beverage area, shipments were up 9.4 percent even with the problems in meat packing. As the petrochemical industry works through the feedstock pricing situation, indications are that 1984 output levels will be sustained.

The outlook for manufacturing is positive for the year ahead. The five-year Alberta manufacturing and processing tax rate reduction, to take effect April 1, 1985, is evidence of the government's continuing commitment to stimulate the upgrading of our natural resources and the diversification of our economy.

The expansion of our manufacturing sector will require aggressive efforts to promote our products in the world marketplace. Opportunities exist in food processing, petroleum and petrochemical products, and our emerging high-technology industry. We have made important inroads in key foreign markets over past years, and these successes must be consolidated and expanded. The Alberta government's commitment to worldwide promotion of Alberta products will help to ensure the steady expansion of manufacturing through the balance of the '80s.

In the intermediate and longer term, a comprehensive free trade arrangement with the United States would provide substantial new job opportunities in Alberta's manufacturing and processing sector.

Employment

The state of Alberta's labour market is too often gauged by looking only at a single statistic, the unemployment rate. In isolation it gives an inexact picture of the underlying strength of the Alberta economy as a generator of jobs. In 1984 Alberta had the highest number of persons employed in proportion to the population of working age. Our economy's performance in creating jobs — a key indicator of strength — is the best in Canada.

Unemployment in building construction remains a serious concern. But this sector of the construction industry is working through its high inventory, and by the end of 1985 the situation should be improved.

Total Alberta employment should increase modestly this year as a result of the expected increases in overall levels of economic activity in our province and the government's significant employment initiatives and large, job-intensive capital programs.

Alberta: 1985 to 1990

As Alberta enters the second half of the '80s, our economy is poised for lasting growth at a rate above the national average.

But Albertans cannot be complacent. That is why we initiated the white paper *Proposals for an Industrial and Science Strategy for Albertans 1985 to 1990*.

We must continue our efforts to penetrate foreign markets, particularly the United States and the Pacific Rim. We must upgrade in the province a larger proportion of our natural resources. We shall meet our potential by relying on the private sector as the engine of growth and the creator of jobs. Our Alberta entrepreneurs have the talent and the imagination to be competitive in the world marketplace given reasonable access for their products and services.

Critical to our ability to develop Alberta's economy is meaningful federal/provincial dialogue on national economic strategies. We are a trading province and require federal policies that sustain and expand our market access.

We have world-class strengths in key areas such as agricultural production and processing, synthetic oil technology, oil and gas extraction, petrochemicals, medical research, certain high-technology fields, and tourism. If we build on these strengths, we will prosper and grow. Albertans can look to the second half of the decade with well-founded optimism.

Fiscal Situation

In describing Alberta's economic prospects for 1985, I outlined some of our major strengths. Our financial position is an additional strength in a world where credit card living by governments has become the rule.

The quality of a government's financial management is basic to a province's strength. Prudent financial management by government is essential to the encouragement of new, job-creating private investment in our province. This is so because such management gives private-sector investors the confidence that large tax increases will be unlikely during the period required for a return on their investment.

This government's financial management record is credible and responsible. In 1983-84 we recorded a budgetary deficit of \$59 million, a nearly balanced budget. This compares to a budgetary deficit of over \$2 billion in 1982-83. This dramatic turnaround was brought about by two initiatives.

Firstly, our farsighted 1976 decision to establish the Alberta Heritage Savings Trust Fund paid off. When the "rainy days" hit, we were able to open up the heritage fund umbrella. All the earnings on heritage fund investments have been channelled to our day-to-day operating account which provides an unmatched array of services to Albertans. We also reduced to 15 percent the amount of resource revenue allocated to the heritage fund. As a result of these two policy changes, we were able to provide interest shielding programs for Alberta's homeowners, businesses, and farmers and at the same time help finance the deficit.

The second measure that was taken was to introduce a hold-the-line expenditure strategy two years ago. This measure was so successful that we came in under our own restraint target. Actual expenditure in 1983-84 was \$450 million below the budget estimates and \$858 million below total authorizations — proof positive of our commitment to leaner, more efficient government.

For the year ending March 31, 1985, we are forecasting a budgetary surplus of \$613 million. No other Canadian

government has been able to record a surplus during this fiscal year. How was it done? On the revenue side we had the continuing helping hand of the heritage fund. As well, natural resource revenue was higher than originally expected. Oil production was up, land sales increased, and the American dollar soared, which increased our Canadian dollar return on our natural gas and crude oil exports.

But the major achievement has been our very real success in holding down total government expenditure. We expect total Alberta government expenditure in 1984-85 to be below the level of the previous year. No other Canadian government has been able to demonstrate this degree of restraint. No other government has reduced year-over-year expenditure.

Debt servicing costs are a key indicator used by the international financial community to judge a government's financial strength and fiscal integrity. In 1984-85 Alberta's interest payments on our debt comprise less than 1 percent of our budgetary revenue. This compares to an average of about 10 percent for the other nine provinces. In the case of the federal government, approximately 35 cents of every dollar of revenue goes to pay the interest on the federal debt.

The net asset position of the General Revenue Fund at the end of this month is forecast to be \$835 million, a major increase from last year. In addition, the income earning assets of the heritage fund will total approximately \$12.2 billion. There are few governments in the world, Mr. Speaker, which can match the financial strength of the province of Alberta.

We must not squander this strength. We must sustain our reputation for careful, responsible management of the public finances. Employment security and new job opportunities will be the result.

Fiscal Strategy, 1985-86

The fiscal strategy for 1985-86 takes into account our financial position and the state of the Alberta economy. Its four elements are

- to broaden and accelerate the momentum of recovery and build toward the goal of durable economic growth;
- to provide job security and a broad range of employment initiatives, especially for young people;
- to help those Albertans in need and continue the delivery of top quality people programs across the province; and
- to maintain our hard-earned reputation for fiscal responsibility.

Lasting Economic Growth

No one wants a return to the economic roller coaster ride of the recent past. The goal of Albertans is steady, broadly based economic growth that endures. Relying on the private sector as the engine of growth will enable the province to reach that goal of durable growth. This approach is the foundation of Alberta's economic strategy for the years ahead.

But this does not mean, Mr. Speaker, that government should be an idle onlooker. We cannot sit back passively in this highly competitive world. Government can help set the stage for private sector risk-taking. There are areas where, for valid reasons, the private sector is unable to invest in projects which make good sense. A prime example in Alberta is the Syncrude project. By reason of this

government's decision to support that project, thousands of Albertans have jobs here.

This budget reinforces the recovering private sector

- by maintaining the most attractive tax environment in Canada,
- by continuing fiscal and economic policies that are known and are understood,
- by assisting in the creation of pools of private-sector risk capital,
- by supporting trade initiatives,
- by expanding our range of high quality capital facilities,
- by building on our strengths, and
- by stimulating research and development, a key thrust of the white paper.

Employment for Albertans

Although the recovery is spreading through the economy, it takes time for businesses to hire aggressively again. Typically, this takes place later in the recovery cycle. We continue to be deeply concerned about the unemployment situation. Our government has the best record in Canada for assisting employment through the transition period.

However, the permanent job creator is the private sector. Lasting jobs come from private-sector investment. This budget continues to ensure the most attractive fiscal and economic climate in Canada for that private-sector investment.

Essential People Services

Some Albertans are not able to share in the economic recovery. This budget will support disabled Albertans, the disadvantaged, and our elderly citizens to an even greater extent than before. It will ensure that they can continue to lead their lives in dignity and security. Compassion for those who need help will continue to be a priority of this government in all our policies and all programs.

This budget will also continue to ensure that all Albertans receive a range and quality of public services unmatched in Canada. There are no cutbacks in people services. However, it would not be responsible to widen further the gap between our already high service levels and those provided in other provinces. Albertans must be realistic in their expectations of what government should provide. Personal self-reliance and individual initiative must be encouraged.

Fiscal Responsibility

Maintenance of our strong financial position is fundamental to Alberta's overall fiscal strategy. Our present financial strength did not happen by accident. It happened because

- we instituted resource and royalty policies that balance our ownership position with job activity,
- we established the Alberta Heritage Savings Trust Fund, and
- we held the line on government expenditures.

Owning a natural resource does not mean that it will automatically generate substantial royalties. We live in a global market where competition for resource development is keen. This government has carefully planned a successful economic and fiscal climate that encourages private-sector resource development and ensures a fair return to the owners of the resource, the people of Alberta.

At the centre of our financial strategy is the heritage fund. Since September 1982 every dollar of the income earned on its investments has been used to fund programs for Albertans. Through 1985-86 the fund will provide the dollars for health, education, employment, and other social programs for two months of the 12. By next spring, the income from the heritage fund will total \$5.5 billion over four fiscal years.

Without this heritage fund support, Albertans would face tax increases or severe cuts in grants and programs. The commitment to a savings fund is not impaired; the fund will merely grow more slowly. The integrity and existence of the Alberta Heritage Savings Trust Fund is secure.

But the heritage fund cannot be expected to shoulder all the load of protecting our enviable financial position. This budget will continue the momentum, started two years ago, to constrain government expenditure and streamline the public service.

Budgetary Expenditure, 1985-86

Now that I have outlined the underpinnings of our fiscal strategy, here is our expenditure plan in concrete terms.

Two years ago in our hold-the-line budget, we began to step on the expenditure brake. We surpassed our own expectations. Spending grew by only 2.3 percent in 1983-84. Last year we put the expenditure brake pedal to the floor. Expenditure was targeted to decline, the first decrease in over 40 years. We will meet that target: expenditure in 1984-85 will be lower than last year.

In this budget I propose to continue the momentum of spending restraint but with a slight easing of the pressure. The expenditure plan for 1985-86 calls for a 4.2 percent increase over the previous year's comparable estimate. Given Alberta's expected inflation rate, real growth in expenditure is targeted at less than 1 percent.

Operating Expenditure — Services for Albertans

The hundreds of components of the operating budget provide a multitude of services and touch virtually every Albertan. Many may not realize that approximately one-half of all government operating costs are in the form of grants paid to hospital boards, school boards, postsecondary institutions, and municipalities. Approximately 80 percent of these grants go to pay wages and salaries. Accordingly, public-sector wage restraint is essential to our economic recovery and job prospects. We must ensure that public-sector wages do not lead those in the private sector.

The operating budget is 5.3 percent higher than last year's target. Frankly, this is greater than I would have liked. But the increase is necessary to provide extra assistance for our unemployed, for students, and for the health care system.

- An extra \$250 million is necessary to fund new programs and program improvements. This includes \$100 million to provide full-year funding for the new employment initiatives and \$50 million in transitional assistance to our petrochemical industry, which will help secure jobs.
- An increase of over \$104 million is required to meet the increased demand for student financial assistance and allowances for those in need and looking for a job.
- Approximately \$102 million is targeted in the form of modest grant increases to schools, postsecondary

institutions, hospitals and nursing homes, local health units and municipalities.

- An increase of \$74 million is necessary to meet the operating costs of new capital facilities, notably hospitals, all over the province.

Streamlining Government

We continue to hold firm to our commitment to reduce the size of the public service and streamline government operations.

Two years ago we eliminated 235 permanent, full-time public service positions which were unnecessary. Last year a further 876 positions were trimmed. For 1985-86 we are eliminating 523 positions. Given reduced population pressures and increased departmental efficiencies, there will be no reduction in service levels to the public.

Some of the reductions I have mentioned are related to privatization initiatives involving a dozen departments. The public sector is leaner and more efficient. I welcome constructive comments from Albertans on ways in which we can continue to downsize government operations.

Stable, Long-lasting Economic Growth

To reach the goal of sustained economic growth, we must continue to diversify and strengthen our economic base. The right approach, as stressed in the white paper, is to build on strengths.

Our private sector, and especially our small-business community, is a growing strength. This government provides the most attractive tax climate in Canada for private-sector investment. Effective this April and lasting for five years, small businesses whose primary activity is manufacturing and processing will be given a five-year tax holiday; larger companies will be taxed on their manufacturing and processing income at a reduced 5 percent rate. This incentive is unequalled in Canada and will spur diversification and create jobs here. It will cost approximately \$65 million per year in terms of revenue forgone. Details of the program are contained in an appendix.

We know, Mr. Speaker, that small businesses should not be fettered by excessively complex tax regulations. In 1982 we eliminated the need for small businesses to make monthly income tax installments. In this session I propose to parallel recent federal moves and simplify the taxation of Alberta businesses that are Canadian-controlled, private corporations. Alberta rules and paperwork will be minimized for about 28,000 taxpaying corporations, and about 3,000 additional companies will become eligible for the lower Alberta tax rate of 5 percent on small businesses. This measure will reduce corporate income tax revenue by approximately \$10 million per year.

The small business equity corporations program, introduced in last year's budget, has proven to be a major success in stimulating privately owned and managed pools of capital for investment in Alberta. In the past seven months, 142 new equity corporations have been formed, with approximately \$50 million available for investment in rural and urban Alberta. The original \$15 million the government committed to the program will create or preserve over 2,000 jobs.

We are pleased to announce that the previous total funding limit on the program will be changed, and legislation will be introduced to raise that limit so more funding can be provided.

Another major strength of the Alberta economy is tourism. Our province, with its rich diversity, presents a wonderland of experiences for Albertans and visitors alike. The world has come to know Alberta through such success stories as the Commonwealth Games and Universiade. The international competition for tourist dollars is fierce. We must improve our competitive position especially if we are to derive the maximum tourism benefits from British Columbia's Expo 86 and our upcoming 1988 Winter Olympics.

Tonight I am announcing, as a major government thrust, a number of new and expanded tourism initiatives totalling nearly \$7 million.

- The tourism advertising budget will triple.
- A new, in-province travel campaign will be developed.
- A new Tourism Marketing Development Fund will be established.
- Training courses will be provided and through Travel Alberta will be significantly expanded.
- Hospitality training will be boosted.

Energy and agriculture remain the foundation on which to diversify our economy and create jobs. The energy sector is financially sound owing largely to the timely \$5.4 billion oil and gas activity program introduced by this government in April 1982. A successful area of diversification flowing from the energy sector is the Alberta petrochemical industry. This budget provides \$50 million to facilitate the transition of our ethane-based industry to market pricing.

Agriculture is enduring tough times brought on by factors such as subsidized competition and faltering commodity prices. This government has long recognized the fundamental importance of agriculture and in 1985-86 will continue to provide major support through a wide range of programs unique in Canada.

- The Agricultural Development Corporation will receive a 26 percent increase in funding to over \$100 million. This includes funding for the new farm development loan guarantee program announced by the minister in January.
- The Agriculture department's 1985-86 budget will total \$108 million. It provides for the new, five-year farm financial management training and counselling programs announced in January.
- The large subsidy of purple fuel for agricultural use, a unique program for Alberta farmers, will cost an estimated \$73 million, keeping farm fuel input costs the lowest in North America.
- The primary agricultural producers natural gas rebate program will be continued to 1987 at a total three-year cost of \$7.5 million. It provides assistance to farmers who use natural gas in livestock, dairy and poultry operations, alfalfa processing, greenhouses, irrigation, grain drying, and sod and peat moss businesses.
- The marketing of Alberta's agricultural products will be stimulated through both our overseas offices and the effective joint efforts of the ministers of International Trade and Agriculture.

Our full range of international exports, involving a total of over \$11 billion of resources, goods, and services, are vital to Alberta's economic development and contribute about one-fifth of our gross provincial product. Initiatives will be undertaken in 1985-86 to capture further export opportunities, particularly in the United States and the Pacific Rim. Alberta is participating in Expo 85 in Japan, and we will be a major participant in the newly created Asia-Pacific Foun-

dation. For Expo 86 in Vancouver Alberta will establish a world-class presence to provide a showcase for Alberta products.

In the advanced planning stage is the significant new export services support program that will provide an incentive to Alberta companies interested in export projects. The program will involve a sharing of private-sector costs incurred in bid preparation on international projects. This week the Minister of Economic Development will make public the elements of this important new initiative.

An emerging economic development strength for Alberta is the "brain" or high-tech area. This budget, in combination with the heritage fund, will assist Alberta's developing electronics industry with funding of over \$14 million. This will include an electronics information centre, a telecommunications research centre, and microchip design and fabrication facilities. The Alberta Research Council will receive \$26 million, which will include funding for joint ventures with private-sector firms. The Alberta Heritage Foundation for Medical Research and the Alberta Oil Sands Technology and Research Authority are ongoing examples of our major commitment to research. This government has the largest per capita expenditure on research in the country.

Manpower Training and Employment Programs

The economic initiatives I have described will strengthen the recovery now under way. Employment growth traditionally lags behind the initial phases of recovery. Because we are deeply concerned about the unemployment situation, we have initiated more manpower training, employment, and student assistance programs than any other government.

Last October the minister announced a package of new and expanded employment and manpower training initiatives. The package will require expenditure of nearly a quarter of a billion dollars to the end of March 1987, an expenditure without equal in Canada. Nearly \$144 million is budgeted in 1985-86 for

- the Alberta youth employment and training program,
- the wage subsidy program,
- the summer temporary employment program,
- the priority employment program,
- the Alberta training program,
- the special needs employment program,
- the Alberta environment employment program,
- the private vocational schools program, and
- the career hotline information service.

This level of funding is expected to generate approximately 44,000 direct jobs throughout the province.

Although these programs will reach a cross section of Albertans, youth training and youth employment are stressed. In a downturn and during the early stages of recovery, young people are hit particularly hard because of their lack of experience. The Alberta youth employment and training program, a major new initiative, will help them gain experience. It provides a 50 percent wage subsidy; nearly \$47 million is available in the upcoming year.

Tonight I am announcing a new program which will provide significant job opportunities for Alberta graduates of faculties of education who cannot find a permanent teaching position. Beginning teachers will be employed by school boards in training positions which will help them bridge the transition from students to full-time teachers. This two-year pilot project will start this September, with first-year funding of up to \$11 million to employ as many as 900 recent graduates.

In addition to these unmatched manpower programs, the 1985-86 capital budget will provide a large number of job opportunities.

Basic and Advanced Education

A key element of the provincial development strategy is to build on our human resource strengths. Albertans are aware that there is a dramatic industrial restructuring taking place. If our children are to compete successfully in the economy of the future, education is the key. This government has always placed a priority on education. Our spending on basic and advanced education is among the highest in Canada on a per capita basis.

For the first time in Alberta's history, school boards will receive a total of \$1 billion in basic grants from the school foundation program fund. Per pupil grants will increase by 2 percent, with a total of \$780 million budgeted to ensure that education services for our children are maintained at current high levels. In addition, we are providing an extra \$27 million to effect qualitative improvements in programs, to ensure greater equity among school jurisdictions, and to support all other aspects of basic education.

Basic operating grants to our self-governing postsecondary education institutions will increase by 2 percent to \$628 million. A further \$7 million in new funding will be provided for enhanced course programs and new facilities that will open this year. In addition, over \$5 million in extra funding will be provided to reflect enrollment increases, raising total special enrollment funding to \$17 million.

We know that many students who want to attend higher learning institutions encounter financial problems. This government provides student financial assistance that is second to none in terms of the amounts available and the payment conditions. For 1985-86 we are budgeting \$124 million for student assistance, an increase of 23 percent over this year's expenditure. This includes close to \$10 million in scholarships and awards from the Alberta Heritage Scholarship Fund. Additionally, almost \$50 million in Alberta student loans will be approved and guaranteed by the provincial government during 1985-86. These programs will help 56,000 students with their education costs this year.

Health Care Services

Health care, like education and manpower training, is an investment in our people. Albertans benefit from health care services that are among the best anywhere.

However, these services come at a very high cost. If we are to meet the objective of responsible fiscal management, we must continue to address the difficult problem of reducing the rate of escalation of health care costs.

There are two aspects of the health care cost issue: the utilization of doctors' services and the use of hospitals. The cost arising from the services of physicians and other health care professionals has been climbing. However, last year there was an encouraging drop in the rate of increase. In 1984-85 there was no change in the doctors' benefits schedule, and no change is planned for 1985. Even with no change to that schedule, the deficit of the Health Care Insurance Fund is expected to increase to \$426 million, up over \$54 million from this year's forecast deficit.

This budget contains no increase in health care premiums, which are lower than those in Ontario and British Columbia.

Our effort to improve the cost consciousness of the hospital system by requiring hospital boards to be responsible

for deficits and permitting boards to retain surpluses is working. No hospital has yet implemented user fees. Hospitals are making ends meet by taking a hard look at their operating costs. In fact, most hospital boards have been able to record surpluses. Trustees are to be congratulated for their efforts.

Funding for both the operation of health care facilities and medical services in 1985-86 will rise by 4.5 percent. This compares to a 10 percent increase the year before. This reduction is a major accomplishment and consistent with our goal of prudent fiscal management. Nonetheless, the Alberta health operating budget will move past the \$2 billion mark this year and will account for approximately one-quarter of the total government operating budget. The continuing co-operation of all those who use and manage the system is needed to keep costs at a realistic level.

Help for Those in Need

Many disadvantaged, disabled, and elderly Albertans are not able to share in the economic recovery. This budget will provide support at greater levels than ever before and will help give them a greater sense of independence and security.

The budget of the Department of Social Services and Community Health will increase by 6 percent, which is more than the expected inflation rate, to nearly \$1.3 billion. This will provide an unrivalled level and range of services. Social allowances are budgeted to increase by \$26 million to \$461 million to provide for benefit rate increases for food, clothing, and household expenses.

The assured income for the severely handicapped program will receive \$93 million, an increase of nearly one-third. Funding for the day care subsidy and operating allowances programs will rise by 25 percent to \$51 million.

The William Watson Lodge in Kananaskis Country has been highly successful. It provides handicapped and senior citizens who have special needs with a mountain recreational experience they could not otherwise enjoy. Tonight I am announcing a doubling of the capacity of this facility. Details will be provided in supplementary estimates for the capital projects division of the heritage fund.

The continued contribution of our senior citizens to the development of Alberta has not been forgotten. This government provides an unequalled package of programs for our seniors including

- premium-free health coverage and other health benefits,
- home improvement grants,
- self-contained and lodge accommodation,
- property tax rebates and renter assistance grants,
- assured annual income, and
- social allowances for the aged.

I am pleased to announce that the special home heating grants for 85,000 senior citizens living in their own homes will be extended through to the end of 1987. The estimated total cost is \$25 million.

In total, our wide array of senior citizen programs will provide approximately \$400 million in benefits to them in 1985-86.

Alberta widows and widowers aged 55 to 64 and of limited means are eligible for all senior citizen programs. This initiative is unique to Alberta. Also, we are the only province to provide a pension to widows and widowers in need. In 1985-86 the benefit rates will increase, and a total of \$16 million has been budgeted.

Affordable Shelter and Energy

An area of ongoing priority is to encourage the availability of shelter at affordable rates for homeowners and renters. No other province provides the range and level of support available in Alberta. This budget provides over \$290 million in direct and indirect housing assistance for Albertans.

Low cost, royalty-free energy to heat homes and operate businesses has been a unique Alberta program since 1974. As announced recently by the Minister of Utilities and Telecommunications, the natural gas price protection plan will be extended for three years at a total cost exceeding one-third of a billion dollars. A typical Alberta homeowner will save approximately \$115 each year. This major shielding program leaves Albertans with higher disposable incomes, boosts our business and industrial sector, and provides our citizens with the lowest cost natural gas in Canada.

The Alberta Electric Energy Marketing Agency pools electricity generation and transmission costs. The government will maintain the current level of shielding through 1985-86 at a cost exceeding \$50 million.

Assistance to Local Government

Local government plays an important role in Alberta's economic and social development. In 1985-86 approximately three-quarters of a billion dollars in conditional and unconditional funding will flow to municipalities and local service agencies from a dozen government departments for a wide variety of purposes including social services, community health, transportation, parks, and policing.

Unconditional municipal assistance grants for 1985-86 are budgeted at over \$97 million, an increase of 4.2 percent. The amount budgeted for interest relief on eligible municipal debt is \$122 million, up 6.1 percent from 1984-85.

In response to requests from municipalities and municipal organizations, the province will commence payment of \$2.4 million in grants-in-lieu of taxes on government-owned units for senior citizens. Also provided are \$800,000 in grants to municipalities for the equivalent to municipal taxes payable on privately owned, nonprofit units for senior citizens.

As a result of the provincial government's ongoing high level of support to municipalities, including the legacy of the \$1 billion municipal debt reduction program, Albertans continue to enjoy among the lowest property taxes in Canada.

Capital Expenditure — Jobs for Albertans

Thousands of jobs will again flow from our large capital budget.

Capital projects have a double-barrelled impact: they provide necessary infrastructure for social programs and economic development; they also provide many direct and indirect jobs.

In preparing this capital budget, our goal was to maintain jobs until private-sector activity speeds up during the recovery. For 1985-86 departmental capital spending will reach almost \$1.7 billion, virtually the same as the current year's large capital budget. It will create at least as many jobs in construction, perhaps more, as were created by the massive capital spending programs of each of the past two years.

Additionally, Crown corporations will support new capital activity of \$750 million, and heritage fund capital projects will total over \$250 million.

On a per person basis, Alberta's capital works budget will probably be the highest in Canada.

With construction costs moderating, now is the ideal time to build needed capital works. Maximum value for the public construction dollar can be secured. There is a "window" to use capital projects to provide jobs before private-sector expansion places pressure on construction costs.

As part of the budget preparation process, we reviewed all the potential public works capital projects to determine which ones could be accelerated to take advantage of this "window". Examples of capital projects which have been accelerated include the replacement of the Fort Saskatchewan Correctional Centre and the Grande Prairie Alcohol and Drug Abuse Facility.

With this capital budget and the employment programs and student financial assistance mentioned earlier, Alberta leads the nation in programs to stimulate jobs and assist young people.

Transportation

Alberta has built up an efficient transportation network linking all parts of the province. For 1985-86 this job-creating budget recommends \$691 million for capital improvements, up 5.7 percent from the previous target.

Record volumes of road construction will be carried out on primary, secondary, and resource roads. Highway construction and maintenance is budgeted at \$545 million.

Our urban centres will receive funding of \$137 million for transportation programs under the new, half-a-billion-dollar urban transportation financial assistance program announced last fall for a three-year period. In the metropolitan areas, the 75 percent provincial funding share will pay for the largest part of light rail transit and arterial roadway construction. This program builds on the six-year, \$908 million urban transportation program, just completed, which saw major projects built all over the province.

These projects, together with the new hamlet streets assistance program and the continued town and village streets assistance program, will create a high level of employment activity in the road building sector.

A major, new automated data system will speed up the delivery of services to the motor carrier industry and the shipping public.

Utilities

Utilities are sometimes taken for granted, but they are basic to economic development and quality of life. This budget provides nearly \$100 million for job-intensive utility development projects across the province. Through the water and sewer program alone, over \$612 million has been invested since 1979 in 613 projects located in 371 Alberta communities.

Recreation, Culture, and the Environment

Alberta's varied and high quality recreational and cultural facilities provide a welcome outlet for Albertans in their leisure time and are a major tourist attraction.

The new, five-year community recreation/cultural grant program announced recently provides support for the planning, development, and operation of recreational and cultural facilities. It will reduce red tape by combining three existing programs. Tonight I am announcing that grants under the new program will be raised by one-third to \$20 per capita. The budget for the first year is \$49 million. This initiative

will provide jobs in many communities throughout Alberta in the months ahead.

The Calgary 1988 Winter Olympics will thrust Alberta into the international spotlight and will assist our export and tourism efforts significantly. For 1985-86 the province's Olympic capital funding is set at \$33 million. All provincial projects are continuing to be built on schedule and within budget.

Alberta's history is rich and exciting. Capital support of over \$16 million is budgeted to continue work on historical projects throughout Alberta. This province's per capita operating and capital support for cultural activities is the highest in Canada. The "culture industry" of Alberta is now an important job-producing sector of our province.

To ensure that the quality of Alberta's environment remains protected, over \$9 million in total funding will be provided in 1985-86 to the Alberta Special Waste Management Corporation, largely for further servicing of the Swan Hills site.

Health and Education Facilities

This government provides its citizens with health care facilities that are of world stature. We have established a hospital program which ensures that our rural residents can receive basic health care in their area, a factor which has helped to support the existence and expansion of many of our smaller communities.

In 1985-86 capital support for health care will total nearly a quarter of a billion dollars. This is part of an ongoing construction program which is estimated at over two and one-half billion dollars spread over more than a decade. Approximately one-half of this program will be funded in 1985-86 and future years.

Funding in 1985-86 for the two urban hospitals in Edmonton and Calgary, announced in the last budget, will total \$53 million. Capital support for 25 rural hospitals is provided in the amount of \$65 million.

The equipping of our hospitals with the latest in modern technology is continuing with \$27 million budgeted for 1985-86.

Alberta's education facilities are among the most modern in Canada and are evidence of this government's continued support for both basic and advanced education. This budget allocates \$156 million for basic education capital debt retirement; \$11 million is budgeted in capital grants to assist school purchases of educational computers and other business education equipment, and a new \$4.5 million operating grant for the purchase of computer software and other learning resources is also provided.

Capital funding for postsecondary institutions is targeted at \$124 million. Work will start on new projects worth, in total, over \$50 million including

- a major expansion of MacEwan Hall, the students' union building, at the University of Calgary;
- the complete renovation of the Arts Building at the University of Alberta;
- a new library at Olds College; and
- the renovation and expansion of the original building at the Vermilion campus of Lakeland College.

The 1980s Endowment Fund, which matches private donations to our postsecondary institutions, has been one of our most successful programs over the last few years; \$80 million in provincial matching grants have already been approved, exhausting the resources of the program four years ahead of schedule. We are currently examining options

to possibly extend the fund or create a successor program. Legislation will be proposed in the near future.

Capital Projects — Major Crown Corporations

Alberta's major Crown corporations will make capital commitments totaling \$955 million in 1985-86. This will result in direct capital construction activity of approximately \$750 million in 1985-86, with many new jobs created.

Alberta Mortgage and Housing Corporation will provide direct funding for the construction of 420 shelter units primarily for senior citizens and lower income families; \$19 million will be committed to finance the construction of 300 new housing units for low- and moderate-income families under the generous family home purchase program.

The Alberta Municipal Financing Corporation will finance an estimated \$425 million worth of capital projects undertaken by cities, towns, school boards, and other local entities. As in the past, these loans will be provided at our comparatively attractive borrowing rate. The result will be a significant reduction in the costs borne by local authorities and Alberta property tax payers.

During 1985 Alberta Government Telephones will make capital expenditures of \$208 million, mostly for new plant and equipment to maintain its world-class position in communications technology.

Heritage Fund Capital Projects

Last fall over \$252 million was approved by the Legislature to support ongoing heritage fund capital projects during 1985-86. These projects help sustain jobs and bring lasting social and economic benefits for Albertans.

Our agricultural sector will be strengthened with over \$100 million being provided for irrigation projects, agricultural research, flood control, and the development of grazing reserves.

An additional \$50 million has been approved for oil sands and enhanced oil recovery research — two areas of significant importance to Albertans.

Health care will continue to be supported by almost \$49 million for the continued construction of the Walter C. Mackenzie Health Sciences Centre and for cancer research.

Further development of urban parks and continued work to complete recreation development in Kananaskis Country will be supported by more than \$40 million.

Other capital projects include reforestation, land reclamation, and electronics research and testing.

Taxation

There are no new taxes and no increases in existing tax rates in this budget.

This is possible for two reasons. First, natural resource royalty revenue covers a large portion of the cost of services and facilities Albertans enjoy. Secondly, the heritage fund has come to our rescue by providing for day-to-day budgetary purposes all the income earned on heritage fund investments.

Albertans enjoy the most favourable tax structure in Canada by a wide margin. The facts, Mr. Speaker, speak for themselves.

- Albertans have the lowest provincial income tax rate by far, and there is no surtax on high incomes as in the other western provinces.
- Albertans do not have to pay a sales tax every time

they buy something; as we know, the residents of all other provinces pay retail sales taxes.

- Albertans do not have to pay a gasoline tax; residents of all other provinces except Saskatchewan pay gasoline taxes.

In dollar terms, a family in Alberta earning \$30,000 would take home, after provincial tax, \$1,370 more than a comparable family in Ontario.

Alberta companies also benefit from the most favourable provincial tax rates in Canada which help make existing jobs more secure and assist in the creation of new jobs.

- Alberta's general and small business corporate income tax rates are among the lowest in Canada.
- Alberta small businesses whose primary activity is manufacturing and processing will be given a five-year tax holiday effective April 1; other corporations will be taxed at only 5 percent on profits from manufacturing and processing.
- Alberta small businesses do not have to pay monthly installments of provincial corporate income tax.
- In Alberta there is no capital tax and no payroll tax.

Of course, if energy prices or markets erode measurably from present levels, this low-tax environment would have to be reviewed, together with the level of grants and delivered services.

Revenue Outlook

Alberta secures the lion's share of its revenue from oil and natural gas — not from taxes, like the other provinces. The prices for these commodities are determined in foreign capitals. London, Riyadh, and Washington, although far away, are like next-door neighbours in terms of their effect on the province of Alberta. No other provincial government's budget is as exposed to external events. This makes revenue forecasting very difficult and open to wide swings in estimates. A 1 percent deviation in our revenue forecast affects the budgetary bottom line by nearly \$100 million.

Overall, I expect total budgetary revenue to be about \$9.8 billion in 1985-86. This is above last year's estimate but slightly below the 1984-85 revised forecast.

Nonrenewable Resource Revenue

Nonrenewable resource revenue is expected to be about the same as the 1984-85 forecast. Gross oil royalty revenue will be relatively stable as lower world prices are offset by the move to domestic market pricing. We are expecting an increase in the industry take-up of incentives for enhanced recovery projects which will lower our net oil royalty. These incentives will provide jobs now and benefits down the road for the province.

Royalties from natural gas and by-products should stabilize. Increases in sales to all market areas are forecast, especially to the United States as a result of the new, market-responsive pricing system. Volume gains in the United States are likely to be largely offset by lower export prices which reflect the new market realities. As the natural gas surplus in the United States diminishes over the next few years, Alberta's export and associated revenue prospects are very promising.

Taxes

Total tax revenue in 1985-86 is projected to rise by 3.8 percent. Corporate tax revenue is expected to be up by 2.5 percent. This understates the total growth of corporate profits as \$75 million in revenue will be forgone as a result of

the combined cost of the manufacturing and processing tax reduction and the new small-business tax simplification measures.

Personal income tax revenue should rise by 4.8 percent in 1985-86. Alberta taxpayers will save an estimated \$40 million by indexing, the provision which reduces the impact of inflation on taxes.

Federal Transfer Payments

Payments from Ottawa for a variety of federal/provincial programs are projected to decline by 10 percent.

In preparing its spring budget, the federal government must reject the option of cutting back federal program transfers to the provinces as a means of reducing the deficit. This option would merely shift the deficit burden from one order of government to another, and the taxpayers would be no better off.

Heritage Fund Investment Income

The transfer of all investment earnings from the heritage fund to the day-to-day provincial budgetary account is forecast at nearly \$1.6 billion, up slightly from 1984-85.

The extraordinary assistance from the heritage fund investment income represents almost one-sixth of total budgetary revenue. It alone is more than the total amount of personal income tax we expect to collect in 1985-86. Alberta would need a retail sales tax in the order of 7 to 8 percent to raise an equivalent amount of revenue.

The heritage fund is the reason we are able to hold the line on taxes and fund the highest level of per capita employment support and student assistance in Canada.

Financial Plan, 1985-86

To summarize the expenditure plan and revenue estimate for 1985-86, expenditure is targeted at just over \$10 billion and revenue is estimated at slightly under \$9.8 billion. The budgetary deficit for 1985-86 is estimated at \$250 million.

This is a swing from a forecast surplus in 1984-85 to an estimated deficit in 1985-86 because increased expenditure is necessary to maintain the momentum of recovery and to provide employment assistance and job security. As noted, this represents a slight easing of the restraint pressure.

Our financial position remains strong. In 1985-86 less than one cent of every dollar we receive in revenue will be required to pay the interest on our debt. On an aggregate basis, this province is not in debt. In fact, the income earned on the assets of the General Revenue Fund exceeds the interest to be paid on outstanding debt.

Summary and Highlights

Mr. Speaker, the highlights of the 1985 Alberta budget are

- No new taxes, no increase in existing, low tax rates, and no increase in health care premiums.
- A massive capital budget of nearly \$1.7 billion to maintain existing jobs and create employment. As well, \$1 billion in other capital activity will be financed through the heritage fund and Crown corporations.
- The first, full-year funding of the quarter-billion-dollar employment and manpower training initiatives that are unmatched anywhere.

- A 23 percent increase in financial assistance to help 56,000 postsecondary students.
- Job-creating, five-year tax reductions to spur manufacturing, processing, and upgrading in Alberta.
- Diversion of the entire investment income of the heritage fund to help pay for social programs and job-creating capital works.
- A reduction for the third year in a row of permanent, full-time public service positions.
- Further funding for the very successful Alberta small business equity corporations program.
- \$7 million to fund five new tourism initiatives.
- A one-third increase in per capita grants under the new five-year community recreation/cultural grant program.
- A record \$2.2 billion in support for basic and advanced education.
- A slowing in the rate of increase in health care operating costs to 4.5 percent from an increase of 10 percent in 1984-85.
- A 4.2 percent increase in unconditional grants to municipalities.
- Less than 1 percent of provincial budgetary revenue will be used to pay interest on debt; no other province is in this position.
- The Alberta General Revenue Fund is expected to remain in a positive net asset position.

In conclusion, Mr. Speaker, this budget will expand the economic recovery on a broad range of fronts. It stimulates growth, strengthens the security of jobs Albertans now have, and provides unmatched levels of support for those needing employment assistance.

Highest quality people programs are sustained; there are no cutbacks. Fiscal responsibility is maintained. A massive capital works program is provided while at the same time taxes, the deficit, and borrowing are held down.

Mr. Speaker, for Alberta in 1985 and beyond, confidence is justified. Opportunity is the watchword.

Alberta is on the move again.

MR. MARTIN: Mr. Speaker, I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. CRAWFORD: Mr. Speaker, it's intended that the Assembly sit tomorrow evening in order to continue the debate on the Budget Address.

[At 9:14 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

