

**LEGISLATIVE ASSEMBLY OF ALBERTA**

[Leave granted; Bill 205 read a first time]

Title: Tuesday, March 26, 1985 2:30 p.m.

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **PRESENTING REPORTS BY  
STANDING AND SPECIAL COMMITTEES**

MRS. FYFE: As chairman, Mr. Speaker, I request leave to present the report of the special committee appointed to prepare lists of members to serve on the select standing committees of the Assembly.

head: **INTRODUCTION OF BILLS**

**Bill 16****Small Business Equity Corporations  
Amendment Act, 1985**

MR. ADAIR: Mr. Speaker, I beg leave to introduce a Bill, being the Small Business Equity Corporations Amendment Act, 1985.

The principle of this Bill is to remove the section of the previous Act that dealt with the fixed amount to be used for incentives for the private sector. The success of this program to date prompts us to do this.

[Leave granted; Bill 16 read a first time]

**Bill 31****Appropriation (Interim Supply) Act, 1985**

MR. HYNDMAN: Mr. Speaker, I request leave to introduce Bill 31, the Appropriation (Interim Supply) Act, 1985. This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

This Bill is the traditional interim supply Act for the purpose of funding government operations after April 1, 1985, pending consideration of the estimates and the full appropriation Act to be dealt with later.

[Leave granted; Bill 31 read a first time]

**Bill 205****Criminal Compensation Intercept Act**

MR. R. SPEAKER: Mr. Speaker, I beg leave to introduce Bill 205, the Criminal Compensation Intercept Act.

The Bill covers the situation where a criminal has injured a victim either financially or physically and the victim is owed restitution. The victim will be able to ask the Provincial Treasurer to withhold the criminal's tax returns as well as any provincial grants or other kinds of moneys payable to the criminal. Such money would be used to compensate the victim.

**Bill 210  
Ambulance Service Act**

DR. BUCK: Mr. Speaker, I beg leave to introduce Bill 210, the Ambulance Service Act.

The purpose of this Bill is to establish a uniform, high-standard ambulance service across Alberta. The Bill sets out the mechanism for legislative approval for funding the service and establishes the basic standards which ambulance services would provide. This is a follow-up to a resolution this Legislature passed many, many years ago, directing the government to do this. There has been no action taken, so I'd like to introduce this Bill.

[Leave granted; Bill 210 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. CRAWFORD: Mr. Speaker, today I would like to table copies of the annual report of the Department of the Attorney General for the year ended March 31, 1984. Copies will be distributed to all hon. members.

MR. TRYNCHY: Mr. Speaker, I'd like to table the annual report of the Recreation, Parks and Wildlife Foundation for the year ending March 31 and the annual report of the Department of Recreation and Parks to March 31, 1984.

head: **INTRODUCTION OF SPECIAL GUESTS**

MRS. KOPER: Mr. Speaker, it is my pleasure to introduce to you, and through you to members of the House, 27 grades 5 and 6 students from Brentwood elementary school. They're accompanied today by their teacher, Mrs. Alaine Skoreyko; their principal, Mr. Townsend; and parents Mrs. Hobbs, Mrs. Schlese, Mrs. Kirkland, and Mrs. Doolan.

You've noticed them in the members' gallery, Mr. Speaker, because they have special T-shirts on. These T-shirts identify them as members of the Society for the Prevention and Elimination of Discrimination and Stereotyping. This society was developed through the efforts of Mrs. Alaine Skoreyko to help elementary school students understand the concepts of cultural stereotyping and discrimination. On her own initiative, on her own time, and at her own cost, she introduced this program to Calgary and has been instrumental in developing the materials as well as providing in-service to her fellow teachers throughout Alberta.

The objectives of the program, as contained in the final report of the Committee on Tolerance and Understanding, are to teach the students to learn and retain the ideas that all people are unique but with common needs; have things they can and cannot do well; have different attitudes, ideas, beliefs, and values that are important to them; and have emotions and feelings and different ways of expressing them. This program is unique to Alberta, and I think many teachers throughout Alberta are using it.

The students sang today for Her Honour the Lieutenant Governor and other members of the Assembly. I ask that they, along with their teacher Mrs. Skoreyko, stand and be honoured by the members of the Assembly in the traditional welcome.

MR. KOWALSKI: Mr. Speaker, it's my pleasure today to welcome 43 grade 6 students from Swan Hills, who are accompanied by their teachers Joyce Venables and Roger Manual. The parents in Swan Hills really care about their children, and eight parents are also with the group: Wendy Kosik, Maureen Emes, Betty Ann Loomis, Carol Junck, Pat Delesalle, Susan Schetzle, Elaine Kyle, and Sharon Feduniak.

I had a very delightful opportunity to spend about 15 minutes with these young people, in terms of questions and answers. I was really impressed with their knowledge, good manners, and all-around interest in what's happening in the province of Alberta. However, one of the questions they consistently asked me was, "How do you get elected, and how do you come to this Assembly?" I said, "One of the things you have to do is work really hard." They wondered if anybody from Swan Hills could ever do it. I'd like to point out to my young friends that the lady who sits two chairs away from me, Mrs. Sheila Embury, worked in Swan Hills for a number of years, so there is an opportunity.

Mr. Speaker, I ask our guests in the members' gallery to rise, and I ask my colleagues in the Assembly to give them a very warm reception.

#### head: ORAL QUESTION PERIOD

##### Canadian Commercial Bank Support

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the hon. Treasurer. Could the Treasurer indicate why, on the day of the budget release, he released a major statement dealing with the bailout of the Canadian Commercial Bank at the same time as releasing the public accounts, and then scheduled a press conference during question period? Is this not showing a complete contempt for this Assembly?

MR. SPEAKER: Order please.

DR. BUCK: That's a question.

MR. SPEAKER: It's not a question at the end; it's an accusation. I am becoming a little concerned about that.

DR. BUCK: Not as concerned as we are, Mr. Speaker, about the contempt for this House.

MR. SPEAKER: I have the floor at the moment.

We're about two weeks into these spring sittings. A great number of questions are overloaded with the baggage of accusation, and it's causing me some concern. As members know, an accusation can be made in one sentence. It may take a whole lot of sentences to defend against that accusation. A charge in court can be read in about a minute, but it may take a three-week trial to deal with it. The result of that has been that a lot of the answers have been extremely long, and I've had difficulty even reaching a short list of members who wish to ask their questions. That seems rather odd, because in a House of 79 members we have a 45-minute question period, and that's the same length of question period as they have for 282 members in the House of Commons. So I respectfully suggest that we ask questions and not weigh them down with accusations.

MR. R. SPEAKER: Mr. Speaker, on a point of order. [interjections] On a point of personal privilege. The Speaker

has indicated that there are accusations being made in this Legislature, and I'd like that clarified. Are those accusations from me as a member, my colleague Dr. Buck, the Leader of the Official Opposition, or the government side? That was a very general comment, and I'd appreciate knowing that. I recall my statements up to this point in time in the Legislature, and during this session I certainly haven't led with my chin in that sense. Maybe that should be clarified, if the Speaker could.

MR. SPEAKER: I'm not going to go around and name names, but I don't recall ever having made an observation of this kind to the hon. leader of the Representative Party.

I know that occasionally there are accusations or implications in answers given by ministers, and it's only fair that the questioner should have an opportunity to deal with it. It works both ways: if there are barbs in questions, then obviously ministers must be permitted to deal with them; if there are barbs in answers, then I think it's only fair that the questioner should be allowed to deal with them. But let's not forget that the overall purpose of this period is to ask questions.

MR. MARTIN: The question is simple: why were these three major events on the same day?

MR. HYNDMAN: Firstly, Mr. Speaker, the public accounts for the year 1983-84 were tabled on the same day because it seems to me to be very appropriate that the whole picture with respect to the public financial position be laid in front of the Legislature at essentially the same time. They were ready to table, so they were tabled. They can be debated, and I hope will be debated at great length, together with the fiscal matters with respect to this fiscal year and, in the budget, the next fiscal year.

There was a press conference taking place during the time of the question period yesterday. That was in order to provide an opportunity for me to comment and answer questions with respect to the budget in the traditional lockup, which has been done every year for many years.

With regard to the situation regarding the Canadian Commercial Bank, the federal Minister of State for Finance put out a news release at about 7 o'clock our time yesterday morning. Insofar as the government of Alberta was involved, it seemed appropriate to me that there be a news release indicating and stating our position, which was done at 8 o'clock yesterday morning.

The only other complaint I have received was from the people organizing the Academy Awards, who said that the number of viewers in North America was significantly reduced because the Alberta budget was scheduled for the same night.

MR. MARTIN: I'm sure not even our hon. Treasurer could manipulate the Academy Awards with media manipulation.

My question deals with the Canadian Commercial Bank. When was the Treasurer first made aware of the severe difficulties of this bank?

MR. HYNDMAN: It was about March 14 or 15 of this year.

MR. MARTIN: A supplementary question to the hon. Treasurer. Did the fact that the Alberta government has some \$70 million in deposits and the Alberta heritage trust

fund holds a \$5 million debenture, I believe, in any way influence this government's decision about this bailout?

MR. HYNDMAN: Mr. Speaker, as noted yesterday, the over-riding reason the government of Alberta was one of those involved in this package to support and ensure the viability of this bank was to maintain confidence in the system and to ensure the continuance and viability of a western Canadian, Alberta financial institution. Those were the stated reasons the Alberta government was involved. As well, it indicates a show of confidence in the future of Alberta in the recovery, not only from our point of view but a show of confidence in this province and in the future of the west by others in other parts of Canada.

MR. MARTIN: A supplementary question. The Treasurer said he was not aware of this problem until March 14. I'm told that in the House of Commons the Minister of Finance and the Canadian government knew in September. My question is: who in the Treasurer's department is responsible for checking out where our deposits are? The federal Finance minister knew since September that this bank was in difficulty, and we still had deposits there. Who is responsible? Is it the Treasurer?

MR. HYNDMAN: Mr. Speaker, this is a federally chartered bank, and the Inspector General of Banks, in Ottawa, is the person who has that responsibility under federal legislation, pursuant to the Constitution.

MR. MARTIN: A supplementary question, Mr. Speaker. Surely in this province it's the Provincial Treasurer's responsibility to know where our deposits are and where our heritage trust fund money is. Was the Treasurer not aware that this bank was in any difficulty, and was he not concerned before March 14 about the \$70 million and the \$5 million debenture?

MR. HYNDMAN: Mr. Speaker, we're always aware of where all the investments of the government of Alberta are. For example, the \$1.5 billion of interest on those good investments in the heritage fund are indicative of the fact that they've been wise and prudent investments. So we learned of the situation, appropriate to the federal laws of Canada and the Bank Act with respect to this federally chartered bank, at the same time as was noted by the Inspector General of Banks, I think, on March 14 or March 15, 1985.

MR. MARTIN: A supplementary question to the Treasurer, Mr. Speaker. Apparently, we are joining with the governments of British Columbia and Canada in purchasing up to \$13 million of subordinated debt of this particular bank. Can the Treasurer be a little more specific and indicate if we're writing off this debt for the bank, or is there any chance at all that any of this will be repaid? Are we looking mainly at second mortgages?

MR. HYNDMAN: This is the situation, Mr. Speaker. The hon. leader is correct: it's up to \$13 million, involving the governments of Alberta, Canada, and British Columbia. It's a situation where we, in effect, bought out the existing debenture holders. There is still a legal obligation to pay back the interest and principal with respect to those investments, but those payments will be postponed until after the main members of the support group, which is the government

of Canada, the government of Alberta, and the six other banks, are paid out with respect to their investment from the 50 percent of the profits of the Canadian Commercial Bank. I believe, as was stated in Ottawa today by the deputy director of compliance, that

the long-term prospects for the [Canadian Commercial Bank] are now good ... The bank will return to profitability. There are no other banks in Canada facing a similar situation ... The [federal] government is of the view that all banks in Canada are solvent, viable, ongoing operations.

MR. MARTIN: There's no doubt they'll be solvent if governments keep bailing them out.

Alberta's share of the basic support package is \$60 million, which is a no-interest loan and ostensibly will be repaid out of 50 percent of the bank's future profits. Given that this bank had an 88 percent decline in its net income in the year ended October 31, 1984, had a \$1 million loss, my question is: what leads the government to believe there will be any profits from which we will be repaid?

MR. HYNDMAN: Mr. Speaker, with this support package the bank is now in a strong position of solvency and ready to move ahead following the recovery, with confidence in the western Canadian economy, which has grown and which will be growing in the years ahead. Therefore, I see that the government of Alberta and others will be paid back the moneys they've advanced.

MR. MARTIN: That's what we call hope and fantasy. Perhaps they'll do as well as they did in the past.

Besides a nondiversified economy in Alberta, one of the major problems facing this bank was its poor management decision to purchase all the outstanding shares of an American bank, the Westlands Bank. My question is: how does the Treasurer justify bailing out a bank because they made a bad decision in the U.S.A.? It has nothing to do with the Alberta economy.

MR. HYNDMAN: Of course, the hon. gentleman realizes that there were a number of problems in Alberta and North America over the last two years, which have been reflected in changes in values of real estate and other assets. The reality is that this was a situation where a problem arose, and co-operatively in Canada, between the private sector and governments, a support package was arranged which reflects confidence in Alberta and the west. That's why the overall move is so important. I urge the hon. member to think just a little about that confidence, because it really does give a warm feeling to think about confidence in Alberta, and he'd find it feels good.

MR. MARTIN: Well, I feel warm and fuzzy all over. Maybe they'll buy a bank in Ohio after the bank in California, so all the taxpayers can feel good about that.

The \$60 million for the basic support package joins similar contributions from the government of Canada and six other chartered banks, I believe. Can the Treasurer elaborate on the repayment terms and, in particular, whether we'll be in the front or the back of the line of creditors? What I'm saying is: will we be paid ahead of the banks, or do we follow the banks in this repayment?

MR. HYNDMAN: It was an important part of the arrangement, Mr. Speaker, that we are in no way subordinate to

the other parties; in other words, the position and posture of the government of Alberta as a province is exactly equal to that of the federal government of Canada and the six largest banks. In addition to 50 percent of the future profits of the bank being dedicated toward repayment of those initial supporters, there is the situation wherein there is a warrant, an opportunity for equity in the bank, should that appear to be appropriate at some future time.

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

MR. MARTIN: Mr. Speaker, my final question to the Provincial Treasurer on this matter: is the money for this bailout to come from the Alberta investment division of the trust fund? If so, how does this fit in with the requirement in the Act that states that such investments will yield a reasonable return or profit to the fund?

MR. HYNDMAN: Mr. Speaker, events moved rather quickly over the course of the last four days with respect to this arrangement, and no decision has yet been taken as to the source of funds. The heritage fund was one option, the General Revenue Fund would be another, and there may be others. Certainly we would move only in a way which would reflect the laws of the province.

#### Provincial Budget — Forecasts

MR. MARTIN: We will move on to other matters. I know it's the Treasurer's day, so I'd like to continue having a chat with him. Now it has to do with general questions about the budget and the public accounts, Mr. Speaker. I know we both want to feel warm after this discussion.

There were some questions yesterday about Fantasyland, so in that context I would like to ask the Treasurer about his magic calculator. According to the public accounts tabled yesterday, our actual revenues in 1983-84 were 5 percent more than the estimates presented to this Assembly, while our expenditures were 4.6 percent less, thus reducing the so-called deficit by some \$867 million. My question is simply this: has the Treasurer sat down with senior officials in his department to review ways in which estimates presented to the elected representatives of Alberta might be a little more accurate in the future?

MR. HYNDMAN: Mr. Speaker, the estimates in a province that relies on the sale around the world of commodities where the prices and volumes are determined elsewhere is always very difficult. It's much more difficult than a province where there is a great deal of predictability in revenues — where they have a sales tax, for example. In this province it's very difficult.

Certainly, the hon. member is correct with respect to the happy situation of starting out with an estimate of a deficit last year and having a surplus in this fiscal year. One of the reasons for that, of course, was the fact that the government restraint program, the increased efficiency of running government operations, was responsible in a major way for reducing that deficit. In fact, the public service of the province should be congratulated for their management and assistance in getting this government the leanest and trimmest in Canada on those figures.

MR. MARTIN: Mr. Speaker, he seems to be saying he didn't expect them to do the job and that it was such a surprise that they did their job, they cut down the deficit.

Similar problems occurred during the budget speech last night. Somehow the 1984-85 estimate of a \$233 million deficit has magically turned into a \$613 million surplus. [some applause] You can clap or not, but we're talking about estimations. What assurances can the Treasurer give the Assembly that the estimates yesterday will not also be subject to a 10 percent margin of error?

MR. HYNDMAN: The figure is 9 percent, Mr. Speaker. The hon. member is probably using metric.

The problem is that I don't think anyone could have foreseen last year, for example, that the value of the Canadian dollar vis-à-vis the American dollar would have changed as it did. That's one of the reasons the revenues went up, causing the change in the figures the hon. member talked about. The returns to Alberta with respect to our massive sales of natural gas in the United States, for example, increased our revenue.

There's always going to be some margin of error. One percent in terms of a revenue situation means \$100 million. In this province, with our resources, there are going to be those risks. Depending on what we think will be the relative stability in the world oil price and depending on the stability of prices and volumes of our other products, we hope we will continue to be in that reasonable range of differences every year.

MR. MARTIN: A supplementary question. I hope the Treasurer is a little closer on his household budget than he is on the provincial budget. Given that there was no energy agreement when this budget was drawn up, at least that we're aware of at this particular time, can the Treasurer advise on what basis the energy revenue and expenditure figures were determined? Are they based on the elimination of the PGRT, for example, or did the Treasurer's officials just pick numbers out of the air? How did they come to these figures?

MR. HYNDMAN: Mr. Speaker, we have to remember that the petroleum and gas revenue tax is a tax on the industry, not a tax which directly reflects the revenues of the province of Alberta. So that is not a factor. Therefore, with respect to that situation the PGRT and any modification of it is not something that would factor into the revenues of the province of Alberta, certainly not this year.

With respect to deregulation, there have been clear indications from the federal government that a deregulated oil price is in the offing, and the situation there would probably end up being awash with respect to what would happen to new oil and old oil. Therefore, we predicted and essentially used assumptions of the status quo and stability in those revenues.

MR. MARTIN: A supplementary.

MR. SPEAKER: Might this be the final supplementary. I know that will only make three, but I have a list here and we've come close to using half the question period. I'd like to be able to reach all these members who would like to ask questions.

MR. MARTIN: We'll ask one more question. We'll save some for the Treasurer another day.

Certainly the PGRT would affect the profits of the companies, which would affect our treasury. I'm sure the minister is well aware of that. As the Treasurer is well

aware, the world oil price is in some state of flux. In preparing the budget and estimating oil revenues, what was the Treasurer's analysis of what would happen to the world oil price in the coming year? In other words, is this budget based on the status quo; that is, world prices remaining approximately where they are now?

MR. HYNDMAN: Mr. Speaker, we see a general stability within a reasonable range. It's true that there have been suggestions that there could be a softening in the international price of oil. Even if that did occur, Alberta is probably in the best position to take that kind of problem, insofar as deregulation would mean that our old oil price would go up. In our view there would not be a significant risk of a very significant change in revenue by reason of that kind of occurrence.

#### Provincial Budget — Agriculture

MR. R. SPEAKER: Mr. Speaker, my question is to Provincial Treasurer as well. On page 8 of the budget speech I found a statement that would be a rather startling revelation to not only the farmers but, I'm sure, the Minister of Agriculture. The Treasurer said:

A return to more normal weather conditions should increase agricultural output this year, which would strengthen farmers' balance sheets.

Could the Provincial Treasurer indicate whether the source that was used as backup information there is the same source the Provincial Treasurer has been using to predict economic resurgence in the province of Alberta?

MR. HYNDMAN: That's a statement which I believe is correct, Mr. Speaker. By the end of the year we'll know whether or not the weather conditions were normal. If they are normal, which on average they certainly should be, we should therefore increase agricultural output, which would strengthen farmers' balance sheets. [interjections]

MR. R. SPEAKER: Mr. Speaker, I know that's the same kind of research done into some of the predictions in this budget. But some of the experts in this field, the meteorologists, tell me that 1985 could be as dry as 1984 and that because of the reduced moisture from 1984, 1985 could be a bad crop year. Could the minister indicate whether any type of research such as that was done before making such an optimistic statement for the farmers of Alberta?

MR. HYNDMAN: Mr. Speaker, for many decades this has been next-year country. Perhaps the hon. Minister of Agriculture, having had somewhat more agricultural experience than I, could comment more on the view farmers have with respect to the weather. But I think that statement is a fact: if there is a return to more normal weather conditions, then the problems associated with the drought last year should not be as difficult as this year.

MR. R. SPEAKER: Mr. Speaker, I certainly didn't see any "i f" in the thing; it was a rather straightforward, direct statement.

On a more serious side of this subject, though, the farmers of Alberta were looking for support from this budget. Was there any consideration by the Provincial Treasurer for support to farmers in terms of input costs relative, say, to reducing the cost of fertilizer for the farmers in the province of Alberta?

MR. HYNDMAN: Mr. Speaker, perhaps I'll ask the Minister of Agriculture to comment. I would simply like to say that the amount of support that is in this budget is unmatched anywhere in Canada. With respect to input costs, for example, there is no farm fuel distribution allowance in any other province that matches the \$73 million we have. There is the Agricultural Development Corporation ...

MR. R. SPEAKER: On a point of order. [interjection]

MR. SPEAKER: Order please. The hon. leader of the Representative Party is on his feet on a point of order.

MR. R. SPEAKER: The Provincial Treasurer may give me all that guff and all that side action, but I want the straight facts about the cost of fertilizer. Twenty-five percent of the cost of fertilizer is government tax and government take. My question is: did the Provincial Treasurer consider reduction of that input cost? That's the answer I want. I can read that other stuff myself.

MR. HYNDMAN: The unmatched record in Canada deserves to be repeated again and again, Mr. Speaker, but I ...

MR. SPEAKER: With great respect to the Provincial Treasurer, the question is very specific and direct, and ordinarily that would limit the parameters of the answer.

MR. HYNDMAN: Perhaps my colleague the Minister of Agriculture could expand upon the answers I've given, if he wishes to do so.

MR. R. SPEAKER: Mr. Speaker, on a point of order. The person who prepared this budget is the Provincial Treasurer. The Minister of Agriculture did not have the final say on what went into the budget. The Provincial Treasurer should have the answer. Did he or did he not consider that kind of relief for the farmers in Alberta? If he didn't, say no and sit down.

MR. SPEAKER: With regard to the point of order, I must say that neither the hon. leader nor I have any authority to tell the government which minister is going to give its answers.

MR. CRAWFORD: And that was a point of disorder.

MR. FJORDBOTTEN: Mr. Speaker, I'm happy to respond, because we've been very sensitive to the health and viability of our agricultural sector. If you read this particular budget properly, not like some people have read it, you can go from estimate to estimate, and you'll find there's a 12.9 percent increase in the agricultural budget as well as a 26 percent increase in ADC's budget. I refer the hon. member to the throne speech and point number two of our priorities: we'll support the agricultural sector through these difficult times with a number of initiatives that we'll take at the most appropriate time. Of course, Mr. Speaker ...

MR. SPEAKER: With great respect to the hon. minister, the question hasn't been changed. It's still very specific and direct, and I respectfully suggest to the hon. minister that he's talking about something that hasn't been asked.

[Mr. R. Speaker and Mrs. Cripps rose]

MR. SPEAKER: Perhaps we might come back to the hon. Member for Drayton Valley after the hon. leader has had a reasonable opportunity to ask supplementaries to his main question.

MR. R. SPEAKER: Thank you very much, Mr. Speaker, for that courtesy.

My next supplementary question is to the Provincial Treasurer. In terms of capital gains tax and the provincial portion, did the Provincial Treasurer give any consideration, in preparing this budget, to removing the provincial portion of the capital gains tax that now exists?

MR. HYNDMAN: Mr. Speaker, just a few days ago, I believe, the Minister of Agriculture set forth very clearly the government's position with respect to the ongoing monitoring of that situation vis-à-vis statements that had been made by the federal government with regard to their upcoming budget, so that was certainly a matter under consideration as well.

MRS. CRIPPS: A supplementary, Mr. Speaker. Could the Minister of Agriculture indicate how much tax there actually is on the gas used in fertilizer production?

MR. SPEAKER: It would seem to me that's a matter of public knowledge. Very few taxes are levied in secret.

MRS. CRIPPS: On a point of privilege, Mr. Speaker. That's what the member asked.

MR. SPEAKER: If that's what he asked, it got by me.

#### **Provincial Budget — Municipalities**

MR. McPHERSON: Mr. Speaker, my question to the Minister of Municipal Affairs relates to a budgetary item in last night's budget. It indicates \$800,000 in grants to municipalities for the equivalent to municipal taxes on privately owned, nonprofit senior citizens' housing. Could the minister indicate when the municipalities may expect those grants to come forth?

MR. KOZIAK: Mr. Speaker, the funds that would be provided pursuant to that vote, when approved by the Legislature, would in all likelihood be paid to a municipality once it has set its mill rate and sent out tax notices. The province won't in fact be paying taxes, but it will be our goal to approximate the municipal portion of the tax with grants from this vote. That would be done once each municipality has set its mill rate.

MR. McPHERSON: A supplemental, Mr. Speaker. I also note that the unconditional municipal assistance grants for 1985-86 are to increase by 4.2 percent in the budget but that there is considerable discrepancy between the 4.2 percent number in the budget and the funding available to individual cities and municipalities in the element details of the budget. For the benefit of many members who represent constituencies across this province, could the minister explain the discrepancy in those numbers?

MR. KOZIAK: Mr. Speaker, the 4.2 percent figure is a universal figure for all municipalities. What happens with respect to each individual municipality is that the information from that municipality is plugged into a formula. There are

two components to that formula for urban Alberta — cities, towns, villages, and summer villages — and those are population and assessment. The greater the population, the greater the entitlement; the lower the assessment per capita, the greater the entitlement. In other words, the more people a municipality has and the poorer that municipality is, the greater the unconditional funds that would flow to that municipality.

For rural Alberta — counties, municipal districts, and improvement districts — another component is added to the two points I've raised; that is, kilometres of road. The more kilometres of road a municipality has, recognizing that that imposes an expense upon that municipality, the greater the entitlement to grants under the unconditional grant formula.

Now, when you plug in all those figures, you find that certain municipalities, based on previous years' entitlements, were receiving either less or more than — and in very few cases — the proper amount under the formula. Our goal in this particular year is to get people who are below 90 percent of their entitlement up to at least 90 percent of their entitlement, so in some cases you have some fairly substantial increases. Our second goal is to bring those municipalities who were receiving substantially above their entitlement down to a figure of 200 percent of their entitlement, so you would find some decreases shown there. Over time it will be our goal to get everybody to a 100 percent situation. I know that's going to be impossible, but we will try to bring municipalities closer to what their entitlement is on a year-by-year basis.

MR. McPHERSON: Mr. Speaker, one more supplemental. I don't see any decreases in this list, so I don't see anyone going below the level of last year. Could the minister confirm that?

MR. KOZIAK: Mr. Speaker, there are a few isolated municipalities who have experienced decreases.

MR. McPHERSON: Mr. Speaker, one other supplemental. Could the Minister of Housing indicate to the Assembly if his department will also be participating in grants in lieu of taxes for municipalities on government-owned senior citizens' property?

MR. SHABEN: Mr. Speaker, in the budget tabled yesterday, it was confirmed that it is proposed that the Alberta Mortgage and Housing Corporation pay municipalities the municipal grant in lieu equal to the municipal portion of taxes on senior citizens' self-contained units. We would follow a similar course of action to that of Municipal Affairs: subsequent to the striking of the mill rate and approval of these estimates by the Assembly, we will be in a position to respond.

#### **Provincial Budget — King's College**

MR. R. MOORE: Mr. Speaker, my question is to the Minister of Advanced Education. Many people across this province are interested in the economic well-being of King's College. I am wondering if the minister would advise this Assembly how much funding will be forthcoming to King's College out of last night's budget.

MR. JOHNSTON: Mr. Speaker, I am able to report that as a result of considerable negotiations among the private

colleges and the government, and in some significant response to the MLAs in this province, we will be providing \$300,000 to King's College in the year '85-86.

#### **Provincial Budget — Consumer Incentives**

MR. GURNETT: Mr. Speaker, my question is for the hon. Treasurer. We've heard about the ability to predict weather, and given the \$800 million extra the Treasurer managed to find in each of the last two years, my question is whether he will be introducing legislation during this session to repeal the personal income tax increase instituted last year, which only brings in slightly over \$200 million for the province.

MR. HYNDMAN: No, it's not my intention, Mr. Speaker. Of course, the personal income tax in the province of Alberta is, by a wide margin, the lowest in Canada, and the take-home pay of Albertans is larger than anywhere else. In carrying out the basic objective of prudent financial management, I think it's very important that we not get onto the treadmill of increasing the deficit. That would increase the deficit significantly, so it will not be my intention to follow that course of action this year.

MR. GURNETT: A supplementary question. I have trouble trusting where the deficit will or will not be, Mr. Speaker. Last night the Treasurer informed us that projections indicate there will be practically no increase in real consumer demand this year. My question — and I'm hoping I won't hear more about retail sales per capita as the answer — is whether or not the Treasurer has asked his officials to give him any estimate of the effect on real consumer demand of a rollback on the personal tax increase.

MR. HYNDMAN: I haven't made that inquiry, Mr. Speaker, because it's not my intention to introduce that to the Assembly.

In terms of per capita retail sales in Alberta and as a piece of new information for the hon. questioner, we have the latest information for January, which shows that once again Alberta has the highest number of people per capita in Canada spending the largest amounts buying goods and services. I think that will continue, which is very much a source of strength and indicates the recovery is proceeding, and is a source of confidence.

MR. GURNETT: A supplementary question, Mr. Speaker. Since there are other economic indicators and the Treasurer told us last night that the unemployment rate will increase again this year compared to last, my question in connection with this whole problem of recovery is whether the Treasurer can advise what this government means when it talks about recovery if it does not mean a reduction in unemployment.

MR. HYNDMAN: Mr. Speaker, this was dealt with at some length by the Premier on the Friday after opening day and on subsequent occasions. As we've indicated, in most sectors the economy is picking up. But without question there is a serious concern with regard to the unemployment level. That is in the areas of building construction particularly, as distinct from industrial or institutional construction.

We have responded. We responded in this budget to a larger degree than any other government. The recognition, though, has to be of the private sector creating the permanent jobs. We've set the stage for that with the range of programs

with a quarter of a billion dollars available, with the over 20 percent increase in support for students, and with the support for the private sector through the small business equity corporations Bill announced today. I think it can fairly be said that while we still have the absorption problem — the vacancy rate to come down with regard to apartments, the overbuilding, and the office space — the recovery is there. We're moving ahead to steady and durable growth, which is what Albertans need.

So it's a difficulty and a very serious concern that the unemployment problem is still there, but we are responding and doing everything that can possibly be done, at a record level in Canada.

MR. GURNETT: A supplementary question, Mr. Speaker. In view of the concern we've just heard expressed for steady and continuing growth, I wonder if the Treasurer has reviewed the option of implementing a program of fixed low-interest, long-term loans that would be available to homeowners, business people, and farmers in the province as a means of sustaining this.

MR. HYNDMAN: Mr. Speaker, one of the reasons for the problem of the downturn of the last two years is the situation with respect to debt. What this province needs is not larger availability of larger amounts of debt but equity investment such as is available through the Bill introduced by my colleague today.

MR. BATIUK: A supplementary to the Provincial Treasurer, Mr. Speaker, in reference to a news flash wherein the Leader of the Opposition stated that it would help the unemployed if the income tax were lowered. Could the minister advise whether the unemployed pay income tax?

#### **North West Trust Support**

DR. BUCK: Mr. Speaker, my question is to the Provincial Treasurer. Yesterday I asked the Premier if the government had had any discussions with North West Trust or the Treasury Branch to help the Treasury Branch prop up North West Trust. Were there any discussions among those three parties before the decision was made by the Treasury Branches to help out with North West Trust's problems?

MR. HYNDMAN: Firstly, Mr. Speaker, the words "prop up" are inappropriate, as I think has been noted. The Treasury Branch has been the banker for North West Trust for over two decades, just as other financial institutions have bankers. It would be inevitable that in the course of the required regulatory responsibilities she and her department have, the Minister of Consumer and Corporate Affairs — the hon. member said "the government" — would be advised of discussions with respect to the regulators in that department with any of the financial institutions of the province. If the minister wishes to supplement my answers, I invite her to do so.

It's my understanding that the facts that they wanted to look at alternate and optional methods of strengthening their company and that the preferred-share transaction approach was suggested with the Treasury Branches were brought to the attention of the regulators in the department by North West Trust. It would therefore be inevitable, and it was, that the minister of consumer affairs would be advised of that. She and I and others discussed the fact that a move was contemplated by North West Trust with respect to a

preferred-share transaction. I would make it very clear that there was no direction by me, as Treasurer, to the Treasury Branches in that regard.

DR. BUCK: Mr. Speaker, can the hon. minister of consumer affairs indicate if North West Trust expressed to her any concerns that they were possibly looking at having financial problems?

MRS. OSTERMAN: Mr. Speaker, the information with respect to North West Trust, as with other financial institutions that are regulated by my department, comes to me on an ongoing basis in terms of a reporting procedure by the director of trust companies. For instance, in the normal course of reporting I recall the information with regard to North West Trust being passed. It isn't information I would be acting upon, because it's information that is managed and reported by the trust company. It's an integral part of their operation and wouldn't require any sort of condoning, for instance, by my regulator or the department.

DR. BUCK: Mr. Speaker, can the minister indicate if the minister and her counterpart in Saskatchewan had any discussion, or if it was brought to her attention that Pioneer Trust was having difficulty? Pioneer Trust does have branches here, with Albertans investing in it.

MRS. OSTERMAN: Mr. Speaker, I was advised of the Pioneer situation at the same time, I am sure, as the public became aware of it.

#### **Provincial Budget — Tourism**

DR. CARTER: In the budget announcement last night, mention was made of significant initiatives of \$7 million in expanded tourism. My question is to the Minister of Tourism and Small Business. If the tourism advertising budget is to triple, will the funds in terms of advertising be targeted to the United States because of the favourable dollar balance at the moment or to the world because of building up influence with respect to having people come for the Olympics?

MR. ADAIR: In essence, you've answered part of the question. The additional funds for advertising would be used in the traditional markets: primarily the U.S. west coast, the Pacific Rim, United Kingdom, Europe, as well as Canada. The emphasis at the moment would deal with attempting to get as many of the visitors who might be going to Expo 86 in Vancouver in 1986 to stop in Alberta either going to or coming from other parts of Canada or the U.S. and leave some of their tourist dollars with us.

DR. CARTER: A supplemental, Mr. Speaker, to the minister. May members of the Assembly be assured that there is going to be a year-round thrust to this advertising budget, not simply directed at the good old summertime?

MR. ADAIR: Mr. Speaker, I can have you and the hon. members rest assured that the dollars used will be on a four-season, year-round basis.

DR. CARTER: A supplemental, Mr. Speaker, with respect to the funding allocations for training courses. Would the minister assure the Assembly that the training course development will be done in conjunction with Advanced Education

and the industry, with particular emphasis on the hotel industry?

MR. ADAIR: In general, I can give you that assurance; I might just change the order. In essence, we will be working with the industry. Once the agreement is reached with the industry, then we will involve the Advanced Education procedures as well as all the other facilities or courses that may be developed to provide the kind of training, from "train the trainers", one of the program titles they're talking about, to others that would deal with general hospitality training. There has been a significant notification by the industry that there is a need for that, and we're responding to that need.

DR. CARTER: A final supplementary, Mr. Speaker. In his consultations, would the minister take under advisement that he will challenge the industry to bring in some of its own guidelines as to an assurance of the quite acceptable and beyond acceptable standards with regard to the whole industry?

MR. ADAIR: Mr. Speaker, I think I can give that assurance to the challenge. As a matter of fact, if you go back to the white paper that was produced and was evident throughout the province of Alberta this past summer and fall, one of the points raised related to a challenge to the industry to do a number of things. I don't have the particular wording with me, but it challenged the industry to ensure that, in co-operation with any of the other parties, it begin to develop those portions of the particular hospitality training programs and the likes of that on an ongoing basis and to monitor and control them within the industry itself.

MR. PAPROSKI: Mr. Speaker, to the Minister of Tourism and Small Business. The budget indicates that a new tourism marketing development fund will be established. Would the minister advise the House what the purpose of this particular fund will be?

MR. ADAIR: Basically, that fund will assist the private sector by, in essence, using the term "co-op advertising" with them in their marketplaces to bring the tourists to Alberta for their particular industry. Some time ago we had in place a program of some co-operating basis. In this particular one we will be increasing the percentage paid by the province of Alberta in specific areas, once identified within the industry itself.

MR. SPEAKER: The hon. Member for Edmonton White-mud, and since there was a fairly lengthy intervention on my part, with the indulgence of the House perhaps we might also reach the hon. Member for Drayton Valley.

HON. MEMBERS: Agreed.

#### **Small Business Equity Corporations**

MR. ALEXANDER: Mr. Speaker, having been treated as we have today to a scaled-down version of *Wall Street Week* by the financial analysts from the socialist opposition, I have what seems like an excessively simple financial question for the Minister of Tourism and Small Business. Can the minister advise whether any new dollar limits are being set, or have been set, for the new small business equity corporations fund?

MR. ADAIR: When I introduced Bill 16 today, Mr. Speaker, what happened was the provision of the possibility, by way of amendment, of removing the existing \$15 million limit put in place and passed just a year ago, allowing us to respond more quickly to the private sector and those who will be involved in investing funds in private-sector pools of equity capital, and to do that by regulation. Yes, we're recommending a sum of \$35 million.

MR. ALEXANDER: A supplementary, Mr. Speaker. Can the minister indicate how soon those funds might be available to people who are lined up to apply for the very successful SBEC program?

MR. ADAIR: Mr. Speaker, the very first thing I would like to do is ask all members to co-operate in the passage of that particular amendment so we can get it in place as quickly as possible, for two reasons. One, it will assist those small business equity corporations that are public and will be going out with a public offering, so that they know where they're coming from. We're aware that there may be two or three of them out there in Alberta. Second, once the session is over and we're in a position to provide the funds, because the amendment has to be passed first for us to be able to do that, we will proceed as needed — in essence, as required. If the small business equity corporations are approved and the need for dollars is there, then they will be drawn. It's the same principle as in the original Act. It's a four-year program, life dating back to last July 18 — four years from that date — or the expenditure of the funds, whichever comes first.

MR. ALEXANDER: A supplementary, Mr. Speaker, just to clarify. Do I hear the minister saying that the applicants now in line may have to wait until the session is over in order to draw those funds? Is that what he said?

MR. ADAIR: Not necessarily that they would have to wait, Mr. Speaker. They may well have to wait for the actual cheque in the sense of the dollars that would be provided by way of the incentive. But as of today they can move and make their investments, and they can work from that particular point on. I guess that's what they've been waiting for — what kind of sum was in place and whether we were going to change the Act. Introducing the amendment to the Act today provides the opportunity for us to do it. As quickly as we can get it passed, they will know they are, in essence, ready to go and to proceed with any of the small business equity corporation programs and corporations that they have lined up at this point.

MR. SPEAKER: The hon. Member for Drayton Valley has indicated that she is prepared to postpone her question.

## ORDERS OF THE DAY

### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

203. Moved by Mr. Oman:

Be it resolved that the Assembly urge the government to consider new systems for the delivery of medical services that would

- (a) allow nurses and other health care professionals to authorize the provision of health care services, and
- (b) recognize the use of private clinics and other services which might be more efficient and thus less costly than the traditional doctor/hospital orientation.

MR. OMAN: Mr. Speaker, before we begin, I would like to indicate that we have a group of visitors in the balcony today who are interested in the motion at hand. I believe most of them are registered nurses who have come to listen to the debate today. I would like them to stand and be welcomed by the House.

The motion before us today, Mr. Speaker, has been before this Assembly before. I appreciate the action of the strategy committee devoting the whole afternoon to debate, which I think indicates some of the importance that's attached to it and also the interest we have felt out in the community with regard to it. I hope we can stand two hours of political debate on one subject.

I'm reminded of a story I heard perhaps a century or more ago when there was to be a public hanging. [interjections] That's right; I'm getting old already, Mr. Speaker. In those days they were quite the affairs, and people came from miles around to witness them. It so happened that the local politician was also present, and out of courtesy they asked the man who was to be hanged if it was all right if the local politico said a few words. He said, "I really don't have any objection, but if you don't mind, I'd like the hanging to take place first, because I've heard him speak before."

In effect, this speech has been given before, and if you want to go back to the *Hansard* of October 18, you will see the original outlay at least of myself and other members of the Legislature. I shall not, however, repeat all the things said there. [some applause] Thank you, sir. I shall keep my remarks a little more brief.

To start with, this is not to be a debate on the budget, Mr. Speaker, but just to set the perspective here, I would like to refer to a couple of sentences in our Treasurer's remarks concerning health care services last night. Our Treasurer said:

Health care, like education and manpower ... 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. Then he said:

There are two aspects to 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.

Then just one more sentence, Mr. Speaker. He indicated that the total budget this year is going to increase by only 4.5 percent as compared to 10 percent last year. But he did say:

[Nevertheless], 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.

There is the starting point, Mr. Speaker, for what I would like to say today with regard to my motion, which is, in

effect, to look at the health care system, open it up, shift it, and move it in such a way that it will be more efficient and more effective. I think the hon. Treasurer has given us the incentive, and my comments are set in that kind of framework.

As I said before, it calls for bold initiatives to improve the quality and at the same time reduce the costs. I'm not here to be critical of our present system, but I think all of us know it is oriented toward the traditional hospital/doctor uses. It provides good care, probably the best care in the world. But it is not the most efficient, and it's costly. I think the thing we often do in our medical system today is use well-prepared, qualified doctors to do such things as prescribe aspirins for flu or whatever in primary health care when they really ought to be using their skills in much more complicated procedures. My point here is that we ought to be using other health care practitioners who could do the job for less and, incidentally, do it as well.

Of course, I'm talking primarily about primary care and simple medical procedures that don't need to be given in costly and complicated settings. How is this to be done, Mr. Speaker? First of all, I would like to see a new point of entry given to the health care system. When the Canada Health Act was put into effect some years ago, the Canadian Nurses Association did a very effective job of lobbying. Rather than allowing the point of entry to be just a medical doctor, they had it changed to where it could be a health care practitioner or professional. It really opened the door rather wide, but it's up to the provinces now to take that cue and use it as they see fit.

It's always been my feeling that particularly the nursing profession has been underutilized for what it's trained to do. It seems to me that if we were to use the expertise that's already around us for some of the more primary tasks in our medical delivery system, we could find that our system would be not only improved but also less costly.

I refer again to a study from McMaster University, which really took this under advisement to see whether or not there would be actual cost savings. In 1982 they came out with what they said was a conservative estimate that at least 10 to 15 percent of medical services directly and from 16 to 25 percent of ambulatory care would be saved, for a total savings of some \$300 million across Canada. That's a lot of money. If you were to take our own budget of some \$2 billion and better in operating costs this year and cut it by a quarter, that would be a saving of \$400 million. It's easy to say that; it's harder to realize it, I'm sure. But here are some people who did look into the aspects and said this was possible.

Not only is that so, Mr. Speaker, but it has been shown by various experiments in Canada and other places that have health care professionals that nursing practitioners can do very well in certain primary care settings. There was, for instance, what is known as the Beaverton project in Ottawa, sponsored by the Victorian Order of Nurses, in which a nurse and a doctor copractised in the area. The doctor was left to look after the more complicated cases, whereas the nurse went out and did a lot of home-care visits and some screening. It was found that the usage of hospitals by that particular group of people decreased significantly and also that diseases were caught in early stages. So it was both a preventative and a saving factor.

In the province of Newfoundland two control groups were taken, one operated by nurses and one by physicians. It was noticed that in the control group that was being ministered to by the nurses, hospital entries decreased by

5 percent, whereas for the group that was ministered to by the doctors, hospital usage increased by 39 percent. I don't want to make a generalization out of a single incident. There have been some failures too, which I shall mention a little later on. But I think there's enough here to indicate that this can work, has indeed worked, and that it ought to be looked at. That's what I'm asking for today, Mr. Speaker: consideration of this method.

It is indicated that in 1982 upwards of 40,000 nonphysicians, nurse practitioners, and physician's assistants were practising in the United States. By the late 1970s most states had modified existing medical and/or nurse practice statutes to permit entry of qualified nonphysicians into medical practice. Studies done in the United States indicate that nonphysicians hold considerable potential for cost control in health care delivery, particularly when used in an institutional setting. Further, Mr. Speaker, the Graduate Medical Education National Committee has recommended that medicare statutes should be changed to allow for direct reimbursement of nurse practitioner and physician assistant services. It's felt that this will provide cost savings and increase utilization of nonphysicians.

I move on, Mr. Speaker, to another area of expanded settings. I'm talking not about bringing the people to the hospital so much as bringing the delivery to the people in community-oriented settings such as community clinics, free-standing medical clinics, and physiotherapy clinics. These have become very, very popular in the last decade or so. In fact, it's estimated that by 1990, 25 percent of primary care in the United States will be done through walk-in, extended-hours clinics. This could be expanded. Most of these, of course, are doctor-oriented.

I want it to be clearly stated that I'm not here to pull down the physician's position. I think he's always going to be on the top, if you will, or in control of medical delivery. What I am saying, however, is that we now have too much of a monopoly. I think we ought to spread this out and provide not necessarily competition but alternate forms of ministry to those who are in need of health care.

Incidentally, I came across some figures today which are significant. The government of Alberta has encouraged private physiotherapy clinics in our province. Since the introduction of these private clinics, the cost of physiotherapy hasn't gone down overall. In fact, it has increased, more so for the hospital setting, incidentally, than for the private practitioners. But the interesting thing I call to your mind and the minds of the members here, Mr. Speaker, is that in 1983 the cost per service in a private clinic was \$4.90, whereas the cost in a hospital was \$11.33. That's more than 100 percent more costly for the same service. In 1984 that cost went to \$5.50 for the private clinic and \$13.13 for the hospital-centred clinic. What I'm saying is that there are cheaper ways of health care delivery than we presently are using or have emphasized. There's no question that the freestanding medical clinics operate at a fraction of the cost per patient. Again, oftentimes we use very complicated systems, such as we have in our hospitals, for very simple procedures. What I'm asking for is flexibility in our health care delivery systems.

Something else I want to emphasize here is the increasing emphasis that is going to be placed on preventative medicine in our society. I think the community clinics are increasingly going to come into play in this educational aspect. People are becoming more aware of their health needs. There is an explosion in physical activity to keep our bodies in shape and a greater awareness of the harm that's being done to

us through such things as smoking, drugs, alcohol, or whatever the case may be. Obviously, nursing practitioners and others who are trained to be specialists in these areas could save us a lot of dollars with the principle of a stitch in time saving nine.

A word, too, about the aging or retirement factor in our society. I believe seniors in Alberta now comprise something like 8 to 9 percent of our population. In a matter of a couple of decades that figure will have risen to close to 15 percent. It's estimated by the statistics people that if the present trend continues, if our present methods are put into use, by the end of the century or the beginning of the next century every hospital bed now existing in Canada will be filled by the aged. Mr. Speaker, I recognize that I cannot any longer qualify myself as a youth.

SOME HON. MEMBERS: Agreed.

MR. OMAN: I've begun to move towards middle age at least.

AN HON. MEMBER: Old age.

AN HON. MEMBER: Be honest.

MR. OMAN: Mr. Speaker, the hon. member makes some accusations I'm not quite ready to live with. In fact, I understand that there are three characteristics of aging. The first of those is the loss of memory. The second is ... [laughter] It doesn't really matter; it wasn't important.

The point is that this particular segment of our society, which we see as an important segment, is going to become a very costly segment, not only from the area of pensions but also from the area of health care. But many of these illnesses, if one could call them that, are not of the serious variety; they're of the ache and pain type. Again, it has been demonstrated that nursing practitioners in senior citizens' settings and developments do as well as, if not better than, physicians in taking care of most of the needs of the elderly. Furthermore, if it is recognized that they can go and receive help in a community clinic or whatever, it's quite likely that people might be able to stay in their homes for a longer period of time, rather than be put in a hospital, or that their families may be more willing to take care of them.

Mr. Speaker, there are problems, of course, and one can hear objections. Obviously, the medical profession is going to feel a little bit threatened, because people will be moving in on their territory. One could expect, as has happened in constituencies where these issues have been raised, that they're reluctant to see it happen and are going to indicate some reasons why it shouldn't.

A friend of mine had a son who had some problems with his teeth. They tried to get him to see a dentist. He simply didn't want to go, because he thought it would hurt too much. So they found a gentleman called a painless dentist and persuaded the boy that it wouldn't hurt so he should go. He did. His mother took him during the daytime, and when his father came home that night, he said: "Well, son, how was it? Was the dentist a painless dentist?" He said, "No, not at all. When he was working in my mouth, I bit his finger and he yelled like anybody else." Change is always a threat to us. There's always some pain involved with it. It's not strange then that there should be resistance, particularly when practices are so entrenched.

One of the criticisms is that these things become add-ons to a present functioning system and therefore actually cost more, because you have, in effect, two systems working and competing with each other. Incidentally, I think some of you subjected yourselves to that argument in the letters you sent out in response to the support letters that came in. I don't know if my reply to that is simple, but I think it's adequate; that is, whenever you introduce a new system, there are always going to be overlaps, and there has to be a working out of those systems until there aren't any more overlaps. I think you can expect add-on costs in the beginning, but if you control it and adapt it over a period of time, like any new system the bugs can be worked out of it.

As I said before, there's no question in my mind that there are systems in play today that are much cheaper than the traditional systems. I know that when my friend Dr. Cassin opened his walk-in clinics in Calgary, the kind of service he was rendering and the numbers of people who took it were phenomenal. The emergency departments in some of our hospitals found that their patient care numbers went down significantly, and probably they could be doing more. Perhaps we should establish these clinics in places where there aren't hospitals rather than build new hospitals in some areas. It's a matter of working out these principles over time. So I don't really accept the add-on principle in the long run. We're not talking about 10 years here.

Incidentally, I can understand some of the uneasiness the physicians feel, because there is a prediction of a significant surplus of doctors in our province by the end of this decade. But we're in this for the long pull, not only for today. I also recognize that a pilot project that was put on board in Saskatchewan about six or seven years ago was quickly and quietly dropped. I don't know what all the details were in that, but there were obviously some problems.

The suggestion is made that nurses may not be qualified to do some of the tasks that would be given to them. I think that's easily handled. You give them the tasks for which they are qualified, or you qualify them for the tasks by specialized training. Some have raised such things as legal and ethical perspectives. What if a nurse or a medical practitioner performs a service for which she is not qualified? All I can say is that it could happen, but I don't risk getting up in the morning because of all of the things that might happen that day. If you consider all the possibilities and allow that to stop you, I think anyone would have a nervous breakdown. We're all aware, as well, that there is a doctor or two who has been accused of malpractice and has gone beyond his area of expertise.

The interesting thing I find is that nursing practitioners and others have been doing these things for years in the northern areas of our country where the doctors haven't been too willing to go. Nobody seems to have raised any objections to that. I see that our minister is now providing incentives by way of extra tens of thousands of dollars to get our doctors to go into some of the more rural areas of our own province. Why not set up a model of a medical clinic that's staffed by medical practitioners in one of these areas and see if they couldn't function as well? If they need to bring people into areas where they need specialized equipment, we've got planes and helicopters and ambulances that can transport them rather quickly.

Incidentally, I don't mean to indicate here that doctors have closed minds about this issue. I just got this today. There is a very interesting thing taking place right here in

Edmonton, sponsored by a Dr. Morcos, who is chief of the Misericordia's obstetric department. He's well known for his work in mother/child bonding and progressive attitudes. He has a study which will involve 100 voluntary participants, expectant mothers with normal pregnancies, who elect to have their prenatal and postnatal care as well as their labour and delivery handled by a qualified midwife rather than an obstetrician. That's going to be very interesting. I believe that so far some 30 women have volunteered to participate in this study.

As you recall, I said in my last speech that I couldn't see why midwives in a hospital setting could not take responsibility for the whole procedure. If they need a backup, there's always an emergency doctor on staff in the hospital anyway. I commend the doctor for that step, and I must say that there are many doctors who have seen the value of using nurses as copractioners. But I don't think they've been willing yet to allow them to have the freedom to operate on their own.

Mr. Speaker, I'm not asking for implementation of this program. I could have gone into many more details as to how it could be used. I'm only asking in this instance for consideration, a study. Who knows what we'll end up with? Maybe the study will say it isn't feasible, or it may be entirely different from what I envision today.

A number of years ago one of my four daughters came home from school and said: "Daddy, I've been asked to participate in the school program that's coming up in a couple of weeks. Could you help me?" She knew I had done some speaking and preparation, and I said: "Why sure, honey. Let's get together and we'll make something up. It will be original, it will be yours, and you can use it." She was a little hesitant. She said, "Well, I'd rather that it be good than just original, because this is going to be before the whole school."

Finally, she had something in mind, which we used. You all know it as that little ditty: "I'm a little teapot, short and stout; this is my handle, and this is my spout." We worked on that, perhaps more than worked on it, getting inflection and everything right. The appointed night came. We were sitting in the audience, and finally it came time for my daughter's performance. She came up to the mike, stood there with her hands on her hips, and began. She said, "I'm a little teapot, short and stout; this is my handle, and this my ..." She forgot to put that arm out. She looked a moment, and she said, "Well, I'll be; I guess I'm a sugar bowl." You could recognize her father, because he was under the chair.

But the point is, sometimes what you get at the end isn't exactly what you expect from the beginning. That shouldn't stop us for a moment. I'm so convinced that something is operative and possible here and that we should be in on it. We can scream and struggle against those inevitable forces that will put us into the future, or we can catch the tide and harness it and make it work to our ends for a better delivery system in Alberta. The province of Alberta has been a leader in many fields, Mr. Speaker. In the medical services area it's time to lead.

Thank you.

DR. REID: Mr. Speaker, the Member for Calgary North Hill has been his usual eloquent self. In fact, he reminded me of a story about three persons who were discussing which was the oldest profession. One said, "I'm a physician, and we were first because we created Eve out of Adam's rib." The second one said, "No, we were first; I represent

the ministers and the person who created order out of chaos." And the third one said, "Well, I'm the politician; who do you think created the chaos?"

Mr. Speaker, today I'm not going to represent the counsel for the prosecution or the defence. I never felt threatened in my professional career before I entered politics. I enjoyed all the changes that occurred during some 30 years since I graduated and, indeed, took part in some of those changes. I'm not here to be a spokesman for the Alberta Medical Association or the College of Physicians and Surgeons, because for three decades I happen to have been a staunch believer in the team-care approach. I'm no more representing the medical profession than the Member for Calgary North West was representing the nursing profession when she spoke in the debate last year. Nor — and I should make this clear in my capacity as the minister with the responsibility for professions and occupations — are any of my remarks any attempt to prejudge the issue of the drive by the nursing profession to have a standard of a baccalaureate degree. I'm not in any way negative to the legitimate attempts by that profession to increase their standards and the quality of the care they deliver and to expand their scope of practice as much as they feel capable of doing.

It's an interesting thing that professions, by and large, never get into expanding their scope beyond what they feel they can cope with. The concern of the Member for Calgary North Hill is unwarranted. I know of no profession that has ever attempted to do that.

It has been said that there are Scots and there are those who would like to be Scots. It has been said that there are physicians and those who would like to be physicians. Well, there are many physicians who would like to be other things once they get into the practice of medicine and find out that it is no sinecure. That is partly because you have to look at the health care standards across this planet of ours, and we have to do that if we're going to look at the motion that's before us today.

There are countries where there is a physician for every 100,000 people, and there are countries like Austria, where there's a physician for every 200. Canada is currently somewhere in the middle with a physician for about every 700 people. There have been other experiments in this world to try to spread out limited physician resources: the Russians with their feldshers and the Chinese with their barefoot doctors. I don't think we're considering anything like that in addressing the motion that's before us today.

This motion is before us for two reasons only: one is costs, and the other is quality of care. If we look at quality of care across the world, in most countries it depends very much upon availability of trained people, whether they are nurses, physicians, or any other practitioner of the healing arts. It might be the witch doctor or the equivalent.

If we look at Great Britain and the United States, they have both achieved a split system from opposite directions, as I've said before in this Legislature. In Britain they had a health care system. They nationalized it; they had socialized medicine. They found that didn't work, and they therefore developed a freestanding, free-enterprise health care system to compete with the government system. In the United States they started with a wildly free-enterprise system. People couldn't afford it, so the government moved into the vacuum that was produced. As a result, Britain and the United States now have very similar systems, and they are both very different from the current system in this country.

In Canada we have essentially one health care delivery system. In Alberta we have a spectrum of care available

through the Alberta health care insurance plan that is larger than in any other province. We have included oral surgery, chiropractic, podiatry, optometrists, and, more recently, physiotherapists. No other province has attempted to achieve that level of spectrum. In Alberta I think we have consciously gone away from delivering just basic health care through the system. I hope we can continue to have one system. As I said earlier, I believe in the team approach; I think most physicians do nowadays.

Let's look at the cost items. In this province the cost is now approaching \$1,000 per head per year, \$4,000 a year for a man, spouse, and two children. I have no quarrel, as a taxpayer and with my Scot's instincts, with anybody who wishes to address the issue of cost containment and trying to restrict the growth in costs. There is some early evidence that the increase has slowed down, thanks to the implementation of user fees in the hospitals and some indications that people are at long last beginning to realize that when they go to their physician's office, it's going to cost them money as a taxpayer. We have some indications that there is the beginning of a drop in the rate of increase in health care costs, but we've nowhere near got it stabilized to being the same as the increase in the cost of living in general.

Let's be realistic, though, about why we've had this increase in costs. I would like to go over a period of four decades from when I first considered going into medicine, which was in 1945 when I was still a schoolboy. I'm going to address what has happened to the treatment of a series of diseases at decade intervals. At that time anybody who got renal failure, whose kidneys packed up, had to go on a low-protein diet. They stuck perforated tubes, called Southey's tubes, into them every now and then to drain off the accumulation of water, dropsy as it was called. If we looked at the problems of congenital and rheumatic heart disease, all we could do for those children was give them some pills, digoxin, the very early injections of diuretics, and oxygen, and in many cases they subsequently died. For the overweight, smoking, overeating, inactive, type A personality, aggressive male who got a coronary, all we could do was give him nitroglycerin for the pain and advise him, if we knew enough, to change his life-style. For the elderly person who developed cataracts, all we could do was give him a white cane. And for thyrotoxicosis, an overactive thyroid, the only thing we had was what was then very dangerous surgery. None of those are particularly high-cost modes of treatment.

Thirty years ago, when I graduated, we had the very early forms of dialysis for the renal failure patient. The cost had gone up a bit. For the children with congenital and rheumatic heart disease we had the very early heart surgery. It wasn't open-heart surgery, but it was expensive surgery. We had even begun to try to avoid the development of rheumatic heart disease by the use of penicillin prophylaxis. And believe it or not, we were resuscitating some of the gentlemen with coronary artery disease, heart attacks. If we just happened to be around when they had it, we managed to save some of the people who previously would have died. But the mortality rate was still very considerable. For the cataract patient, we had the early operations for extraction of a cataract. The success ratio was not as high as it is now by any means. A fair number lost eyes from infection and other causes, but we could at least give them a modicum of useful vision, albeit with very thick lenses in front of their eyes. For the thyrotoxic patient we'd learned that if we gave them iodine in advance of the surgery, it was a bit safer, but it was just as expensive.

Halfway through this era I'm talking about, 20 years ago, was when the costs really started to skyrocket. For the renal failure patient, by and large, we had the availability of dialysis on an ongoing basis. It was beginning to be available in most major centres. But of course it's a long-term treatment and it's expensive. For congenital and rheumatic heart disease we now had open-heart surgery with the heart/lung pumps and the availability to open up the heart, stop it, and do more complicated surgery. Of course, the costs went up, but the results were better. For the coronary or heart attack patient we'd developed the early critical care units. Some of you may remember Dr. Talibi at the Alex, the "mad Turk" as we used to refer to him. Talibi's results showed that by and large, if you got to the hospital, there was a significant chance of surviving a heart attack. And the costs had gone up considerably. For the cataract patient we'd developed cryosurgery. It enabled us to do cataract surgery with a much better record and much fewer losses of eyes, but we still had the thick lenses in front. Of course, for the thyroid patient we'd developed a good way of treating them with radioactive iodine. For the first time we had the indication of a treatment that was cheaper than its predecessor.

Ten years ago — now we get to the era of modern medicine — for renal failure we had a cost reduction available if we could find the kidneys: renal transplantation. But for the vast majority of renal failure patients, we were still looking at dialysis — admittedly much safer dialysis. Rheumatic heart disease was beginning to disappear because of the penicillin prophylaxis I mentioned earlier. For the children with congenital heart disease we were beginning to really get to modern open-heart surgery. We were doing major reconstructive work within these small hearts. For the coronary and heart attack patient we'd developed bypass surgery and a small number of heart transplants at a cost that was astronomical, with results which have only recently begun to improve in the hands of a very few experts like Shumway in California. But bypass surgery had begun to arrive on the scene. For the cataract patient we had a much better result. They no longer needed the thick lenses, because we could put an implant in the eye. But of course the cost was greater. For the thyroid patient we had developed beta blockers to make surgery safer if it was indicated or to allow them to survive until the radioactive iodine was working.

What are we looking at today? We are still looking for kidneys for the renal failure patient. Most of them are still on dialysis at very high cost. For the coronary artery patient we may have some inkling of a reduction in the costs, because we may be able to abandon many of our open-heart surgery units for bypass surgery. We now have a technique developing for dilating the narrowed coronary artery. It may be that that second unit at the Royal Alexandra hospital that the hon. minister has mentioned will never happen, and the costs are less than for open-heart bypass surgery. For the cataract patient, of course, we now know that work is going on in Calgary and elsewhere, where, indeed, we don't admit the patient to hospital.

We are getting some indications that modern technology can in fact reduce the costs of health care. But they're early indications, and the problem is that in the meantime, during this 40-year span, we've had a few things which have happened with technology. Hip replacements have probably done more good for more people than coronary bypass surgery. If you look at the senior citizens who used to spend their last years in bed or in a wheelchair — they

now literally are going out dancing. But it's expensive. It requires hospital facilities that are second to none to avoid infection, and of course there's the time in hospital and the physiotherapy requirements associated with it. It's much more expensive than the aspirin that used to be all we could do for them.

We've got corneal transplantation. With flexible gastroscopes we can look into people's stomachs and see just how bad their ulcer is or what else is the matter. It's a good bit more expensive to do a gastroscopy than to do an X ray of the stomach, but the results of the examination are better. We've got the CAT scanner — a mere million dollars a machine by the time you get it installed. Then to crown everything, they've improved that with another generation of machines which do not require X radiation, the nuclear magnetic resonance machines. The trouble is that they cost a few million. Cobalt bombs for cancer treatment, chemotherapy, the incredible cost of running modern burn units — people with 80 percent burns used to die. Now they survive, but their hospitalization lasts for years, in some cases, if you add it all up.

Intensive care nurseries for babies. There are units at the University hospital and the Royal Alexandra and similar units in Calgary. The results justify the cost in that babies who would have previously died now survive. But they not only survive; the results of the long-term follow-up done by Dr. Charlene Robertson and others indicate that the vast majority of them survive as absolutely normal physical and mental specimens. They are not damaged by the process of the intensive care.

Of course, we've got the costs of automobile accidents and the new specialty of traumatology, where we look after the people with multiple injuries at very considerable costs. But again they survive; sometimes, though, they are not physically capable.

The reason I've gone through that litany is to indicate that the increase in cost has been justified in most cases by an increased quality of life for the patient. With the increased quality is an increased duration, and as we know, our senior citizens by their very nature tend to be heavier users of the health care system. So in other words, people are living longer and, without all the dramatics I've mentioned, they have increased costs. You just need to look at the treating of senior citizens for hypertension, osteoarthritis, and the other degenerative diseases they suffer from.

Some lower cost things have happened. We can now treat hypertension with drugs that cause depression or potassium depletion. Some of them will cause heart failure if they are abused. But they've resulted in a marked decrease in strokes and the disability and costs that come from strokes. We now look after diabetic patients much better. The results are better, but again, of course, they survive until they develop the long-term complications of diabetes with the costs that go with that.

In the last 40 years we've developed vaccines for diseases that used to be major contributors to health care costs — polio vaccine, Sabin's vaccine in particular, the live virus vaccine that gives long-term immunity. Think of the costs that accumulated over the last 40 years, of the successive outbreaks of poliomyelitis in the '40s and early '50s; those costs have disappeared. Measles vaccine has avoided all the problems of the sequelae of measles, the chronic chest conditions that went on for the rest of the person's life. Of course, rubella vaccine, if it were properly implemented, would eliminate the congenital rubella syndrome with the ear, eye, and heart defect that again have cost us so much.

The difficulty with the motion put forward by the hon. Member for Calgary North Hill is that there have been attempts before to consciously reduce the cost of health care. He mentioned some of them. The freestanding emergency clinics and freestanding medicentres — although we shouldn't use that word; I understand it's a copyright name for one particular chain, but everybody knows what we mean when we use the word "medicentre". Are the emergency clinics really cost-effective? If they are going to deliver true emergency care, such as can be delivered at a major hospital emergency department, then they are going to have to be equipped and staffed the same way. I'm not at all sure that the freestanding true emergency clinic is a valid concept. If it is, then it probably is just an add-on, because they will probably refer most of the patients to the hospitals eventually anyway.

There is a problem to some extent with quality control at the medicentres. Many of the physicians who work there have no hospital affiliation, so there is not the normal peer review that goes with hospital affiliation. There's been some problem of continuity of care. Many of the medicentres employ doctors on a shift basis, so you go one Tuesday evening and get one doctor and you go the next Tuesday evening and get another doctor. That's not the best quality of health care.

Private physiotherapy was mentioned by the member for Calgary North Hill. In spite of his impressive figures of \$4 and \$11 per treatment, in actual fact it would appear that private physiotherapy has by and large been an add-on cost.

Some very useful changes have been made. Day hospitals have been tried to avoid night care when it's not necessary. Home care is certainly a good application of health care personnel. If we can keep people out of nursing homes and extended care facilities, surely that has to be a more efficient use of the dollar.

Preventative health care, of course, is a two-edged sword. If you speak to any physician who's indulging in primary care now, you will find that our fitness freaks are prone to certain relatively high-cost injuries. They frequently damage their knees and require major reconstructive surgery. They get stress fractures of their legs and feet. Again, that is a two-edged sword: it may well be that what the coronary artery gains, the locomotor mechanism loses. I must say that every time I see an obese 50-year-old jogging on concrete or asphalt, I get a pain in my knees looking at him.

There is a problem as well, Mr. Speaker, with adequate training for primary care. I have been critical to previous deans of medicine in this province about the present choice of students for our two medical schools. We really train two types of physicians. We train those who are primary care physicians — and this is the area we're essentially talking about today — and we train specialists. But it doesn't matter which one you are training; you start off with a premed course, four years of medical school, and two to five years of postgraduate training. Recently the medical schools have tended to take the applicants with the highest marks, with no real addressing of the issue of what type of person is being recruited.

At long last we have got away from the concept of medicine in North America being a male-only profession. Just over a quarter of the class I belonged to in Aberdeen was female. I came to Canada in 1955 and was somewhat appalled to find one token female in each year of medicine at the University of Alberta. Nowadays we've had some

classes in medical schools in this country where the majority have been women, so at least that's gone out the window.

Unfortunately, we have tended to pick students purely by brainpower and not by personality. Primary care, whether it's delivered by a physician or a nurse, requires a large amount of humanistic, caring attitude, and you don't get that with an IQ of 190 in every case. Currently nursing training is three years, or four years if they take the baccalaureate course. I'm not at all convinced that that is enough to cope with primary care in the present era. The hon. member for Calgary North Hill mentioned treating the flu with a couple of aspirins. The problem is not saying, "Take a couple of aspirins." The problem is making sure that the symptoms are due to influenza and not to encephalitis or acute gastritis or pneumonia. I'm not sure that four years' baccalaureate training in nursing school is adequate for that.

We may find this an add-on, because the insecurities these practitioners may have may result in their referring the vast majority of their patients to other areas of the health care system. The hon. member mentioned the legal liability problem. That's getting horrendous in this country even for the physicians. We're not talking about the problems in the United States, where some specialties have liability insurance fees of \$100,000 a year. But we have got to the stage in this country where for some practitioners it is now \$3,000 a year.

I'm going to encourage the Legislature to be cautious in accepting this motion. My real reason for this is that at long last we're seeing the possibility of having an adequate supply of physicians in this country. I've addressed the cost issue, and I don't think we can realistically expect to bring costs of health care down with the increased technology and what it can achieve for us. At long last we're going to have an adequate supply, which means a surplus, of physicians in this country. For me that would have meant that in the small community I practised in for almost 30 years, I wouldn't have been working seven-day weeks and 16-hour days and getting up during the night during the other eight hours. I might have been able to have some more time off with my children when they were young. I also might have paid considerably less taxes. That would have been a two-edged sword, because I'd have had less in my pocket. In actual fact, there is still a shortage of physicians' services in rural Alberta.

I'm not at all sure that this motion will result in alleviating that problem. First of all, I object to the concept that rural health care should be of a lesser quality or calibre than urban health care. I also have a vague discomfort that just as has happened in every other profession, if we introduce the nurse practitioner concept in this province, we will find once more that most of those nurse practitioners will want to work in the large cities. In other words, we may add another layer to the umbrella where it is already adequate without doing much to resolve the issue of rural and small-town health care delivery.

I said at the beginning, Mr. Speaker, that I encourage nurses in their legitimate concerns, in their striving for excellence and expanding their scope, and I really do. I also said I believe in the team approach to health care. The staff at the hospital where I worked in Hinton — the nurses, the physiotherapists, the lab technicians, and everybody else — had coffee together every morning. We talked about patients as equals, and we delivered a quality of care that I think was appreciated by the people of that community. We behaved like an orchestra, not a series of prima donna

soloists. The orchestra did not really have a conductor at all. But I'm not at all convinced that putting five conductors into an orchestra adds to the quality of the result in any way.

Thank you.

MR. McPHERSON: Mr. Speaker, I rise and welcome the opportunity to participate in the debate on Bill 203, introduced by the hon. Member for Calgary-North Hill. I find myself on perhaps a slippery slope. On the one hand, I feel that the comments from the Solicitor General, who is obviously eminently experienced in the area of health care, raise some of the arguments and defend some of the positions relative to cost considerations. On balance, while I wouldn't want to put words in his mouth, I think he is suggesting there are concerns — indeed there are concerns — but that these areas must be considered at some length. Then on the other hand, I hear a most inspired speech, done in his own inimitable way, by the Member for Calgary North Hill, in an almost evangelical sense, and perhaps that's appropriate.

It calls to mind the story of the well-recognized minister who had developed a reputation throughout the land of being able to give the most extraordinary extemporaneous speeches on almost any subject. But as he got older and older, he found that he could no longer give these speeches simply from the cuff, and he started to use notes. He started to go to the pulpit using a looseleaf. One day at church he got up and walked from his place over to the pulpit, and on the way he dropped the looseleaf but didn't notice it. There he was in his pulpit reading this terrific speech, and he said, "And Adam said to Eve — gee, there must be a looseleaf around here somewhere."

Mr. Speaker, I sometimes wonder if there isn't a looseleaf missing in the debates we have, but I don't think there is in this debate. I welcome the opportunity to participate in it. I welcome it for at least a couple of reasons. Perhaps the most important reason is that frankly I think it's an important issue to debate. Surely we as legislators, as custodians of the public purse, must be ever diligent in our efforts to examine realistic alternatives that will save health care costs or at least constrain the increase. I consider that to be the basic thrust of this motion before us, and I commend the Member for Calgary North Hill for doing that.

I welcome the opportunity to participate for another very important reason, Mr. Speaker. It gives me the opportunity to acknowledge the very, very effective leadership of the president of the Alberta Association of Registered Nurses, Ms. Gerry Seymour, RN, who happens to be a resident of the city of Red Deer. In my dealings with her, Ms. Seymour has personified the meaning of professional. I congratulate her for her exemplary leadership to the Alberta Association of Registered Nurses, and I wish her and the whole association well in their pursuit of excellence and holistic health care. While I have no way of knowing if Miss Seymour is in the gallery today, there are a number of people in the gallery who I assume are of the profession. If Ms. Seymour is in the gallery, I ask her to rise and be recognized by the Legislative Assembly. I don't see her.

Mr. Speaker, as you and all members sit in your places, you are no doubt aware of the considerable lobby advanced by the nursing profession relating to this motion. While I was initially somewhat cautious with the thrust of the recommendations in the lobby, for some financial reasons I will allude to later, particularly in the area of broadening

health services, I can say that my research and, most importantly, the meeting I and other members participated in last Tuesday morning with a number of the nursing profession have led me to believe that it is quite clear in the minds of the nursing profession that the adoption of this motion will not result in overnight changes to the health care system or to the health care delivery system. They are under no illusions. The Member for Calgary North Hill mentioned that. He is simply urging the government to consider new systems for the delivery of health care services that would . . . I don't have to go into the content of the motion; it's before everyone.

So, Mr. Speaker, we're dealing with a request to consider alternative vehicles. From my discussions with them, I think the nurses are fully cognizant of the economic and practical implications such a radical departure from established practice might have but genuinely feel that sufficient empirical evidence exists in terms of possible cost efficiencies to consider the motion. As a layman, I think such empirical evidence does exist. Perhaps through developing a model of some description or some kind of controlled studies, we may indeed be able to convert empirical evidence to irrefutable evidence that demonstrates cost efficiencies and, at the same time, broadens our health care system with more focus on prevention.

I'd like to touch briefly on that area of prevention, Mr. Speaker, but before I offer what I hope might be some helpful criticism, let me say that the province of Alberta provides a very credible array of community health services and programs that are among the best in Canada. The Alberta home care program is providing effective, cost-efficient services to thousands of Albertans who might otherwise require institutional care. These services are provided in the comfort of their own homes, which allows families and friends to assist on a voluntary basis. Moreover, last year's budget expanded the program to include senior citizens with medical conditions who require only home-making services, and the budget increased by 55 percent, to over \$28 million, to accommodate this expansion. The aids to daily living and the extended health benefits programs were likewise increased by 51 percent. In addition to that, it must be mentioned that Alberta shares with only one other province in the Dominion of Canada in terms of supplying similar medical benefits and appliances to the chronically ill and disabled under the extended health care benefits program.

These are just a couple of examples, Mr. Speaker. I suggest and submit that we make no mistake, that the citizens of Alberta possess preventative community health programs unmatched in perhaps any jurisdiction in North America. But in my view, we have a need to encourage more preventative health care mechanisms in the delivery system. I premise that belief on rather startling data that exist under the Alberta health care insurance plan. While a great deal of emphasis is put on preventative health, the vast majority of funding is directed to acute care or to curing disease as opposed to preventing disease. The funding for health care represents one-quarter of the provincial budget and is increasing at a rate that frankly is causing alarm. In the last five years the benefit rate for physicians covered under the Alberta health care insurance plan has increased at the rate of 12 percent. Total health care spending over that same five-year period has seen an average annual growth rate of nearly 25 percent. While I recognize that the Minister of Hospitals and Medical Care has come down with a budget this year which indicates a lessening in the increase, if it's

permissible to use those kinds of words — the increase has been reduced in the estimates for this budget — nonetheless, we're looking at health care costs that are getting to a point where they almost cannot be tracked.

I mentioned that our services are unparalleled anywhere in Canada when one considers that we have a system in this province where there are few, if any, constraints. There is full accessibility to the system. I want to trot out, for the benefit of members, some figures that I think are revealing. Last year 91 percent of the population of Alberta made use of at least some of their medical benefits. The average Albertan seeks medical services 9.5 times per year. The vast majority of these people, 80 percent, use benefits adding up to less than \$400 a year. That's accessibility. So we have an accessible health care system.

However, Mr. Speaker, in considering the debate, I could not help but notice that along with the letter from the Alberta Association of Registered nurses seeking support for this resolution, which I'm sure was received by many members, there was enclosed an article by the president or chairman, I'm not sure, of the Canadian Nurses Association, Miss Ginette Rodger. There were a couple of comments in that article which frankly caused me some alarm:

Most people close to the situation recognize that our health care system is now in danger of being deformed beyond recognition.

She goes on to state:

The introduction of user fees is spreading rapidly and, if left unchecked, will make a mockery of the principle of accessibility identified in the 1964 health charter as one of the cornerstones of medicare.

She goes on to say:

But the way out of our problems does not lie in the introduction of user fees, premiums, or extra-billing.

We can make our system work.

Perhaps we can, Mr. Speaker; however, my concern lies in history, where we've been and where we expect to go.

It was in 1948 that Nye Bevan, the British health minister, established the first comprehensive national health service promising

unlimited free medical care of the best possible standard to the entire [province].

One year later it was replaced with something entirely different from what was promised. The costs soared out of control. Nye's budget became a disaster. Stafford Cripps announced in his 1949 budget that henceforth the treasury would set an annual ceiling on the national health service spending, and Britons would be allowed as much free health care as could be afforded. That's called "capping", Mr. Speaker.

We've seen the results of some of the circumstances developing in areas that have decided that by allowing absolutely no constraints in the system, none whatsoever, in fact what we end up with is often diametrically opposed to the kind of situation those who argue for unassailable free rights in the health care system . . . With no personal responsibility, no constraints attached to the system, absolutely no opportunity for individuals to react on an individual basis under a contract with their health care professional, it has developed into a system of totally free access and escalating costs that all of us as members of this Legislature, who have to try to balance the kinds of things we're dealing with here, have to be concerned about.

I don't want to make any mistake, Mr. Speaker. I make no allusions to the importance of the medicare system or to the health care system. No one wants to see medicare

undermined or hospital services eroded. Yet what are the long-term prospects if no brakes are applied? I mentioned the British scenario. I could go on to the Swedish scenario. I could go on to every country that has developed total socialized medicine and has failed. The system is a failure; it's a bankrupt idea. We're witnessing it in Britain; we're witnessing it in many other countries.

As an example, in Britain the national health service is being decimated by extensive lineups for service, erosion of service, and overworked state physicians practising a turnstile type of medicine. In Britain, Mr. Speaker, a second tier of hospital and health care is now emerging. Private hospitals are being constructed at a faster rate than public hospitals, and the British health care system is applying the brakes on the supply side of the equation by rationing services, limiting accessibility, and reducing the amount of access to the overall system. It strikes me that when you restrict the supply of any discipline, regardless of the discipline, the rich will always find a means to that supply, and so in fact they do. This will inevitably lead to a two-tiered system, and that's the paradox the well-intentioned people who argue to remove any and all constraints in the system and demand utilization, first dollar, immediately, on the basis of unassailable rights, have to consider.

I make no suggestion, Mr. Speaker, that health care is not an essential service. There's no question that it is an essential service. But would anybody suggest that food isn't an essential service? Perhaps we should arrange our affairs in this country so food becomes an essential service and is insured on a first-dollar basis. Clothing is an essential service. Housing is an essential service. All of these things are important, and one has to beg the question: when we provide a system that allows first dollar, no constraints whatsoever, should we not at least be investigating the demand side of the equation? That's where I think there is an opportunity for public debate.

Surely no one has placed a higher value on health care than this province. Indeed, society has put enormously high value on health care. One view suggests that in light of our aging population — the member for Calgary North Hill referred to it — our lifestyles, our sometimes inflexible manpower requirements and their relatively increasing costs, and the advancement of medical technology referred to by the Solicitor General, we have absolutely no choice but to allocate whatever resources are necessary to the health care system to accommodate the unassailable right to be treated on a first-time basis. But having done this, Mr. Speaker, because governments like individuals have finite resources, we can allocate whatever is left over to other of our scarce societies. The other view, I suppose, would be that as long as our resources in society are finite, society is going to have to make some choices. In Alberta I believe we're going to have to make some choices, and the choices are before us. At this time we need to seriously consider all implications and all alternatives that can come to bear to reduce the incidence of costs in the health care system but at the same time provide a humanistic, holistic health care system to this province.

On balance, Mr. Speaker, I can say that I view this particular motion as one that is asking the government to seriously consider the implications, the possibilities of providing a broader health care system, but at the same time seriously considering whether or not there can be realistic cost efficiencies implied into the system. And it strikes me that there can. I don't have all the details, but surely it's been said already today. At this very moment, nurses provide

many, many services across this province that could be done on a direct-provider basis. I understand it's happening up north. They monitor the health status of many, many people who are stabilized, who are chronically ill. Nurses co-ordinate the care of different levels of services of many health care providers when they are required. I suspect that there are a variety of services that can be done, but there are cautions.

I have trouble squaring the concept. If the provider of a service who has direct input to the health care service is providing that service for a lesser cost than the provider of the same service, how long will it be before the provider of the service at a low cost is going to say: "There's something wrong here; it's not just. I'm providing the service at this cost; the doctor's providing this service at that cost. Surely if my professional capabilities allow me to perform those particular functions, my remuneration should be identical to that." I don't know how we square those kinds of things, Mr. Speaker. They're only questions in my mind, but I think they're going to have to be considered very carefully.

On balance, Mr. Speaker, I'm saying that a variety of concerns must be considered and put forth. They were mentioned by both previous speakers. Level of competence: surely that can, be overcome through consideration and perhaps a particular standard. Certainly, public safety dictates that prime providers must be legally and ethically responsible. I don't think there would be any question from nurses or any other health care professionals. If they are going to provide a service, they must be held fully accountable and responsible for it. These are questions that are implicit in the motion before us today. They can be answered, I think. The motion simply urges the government to consider new systems of health care delivery and an expanded role for professional nurses. My communication with nurses leads me to the conclusion that they're quite prepared to co-operate and communicate with government and other interest groups in a conscientious effort to analyze the cost benefits of the proposal before us.

Mr. Speaker, I'm persuaded to support the motion despite the questions that it raises, because surely we must be fully cognizant of all alternatives that are available within our health care delivery system to allow some brakes to perhaps be applied and also to constrain cost increases and to try to view the overall health care system not just as a means of providing service for every individual at every opportunity unless — I shouldn't say it that way. That system is there now, but our system must be designed so that the benefits are made available to the patient who needs the service. I think that can be accommodated through serious investigation of this Bill.

Thank you.

MRS. KOPER: Mr. Speaker, I rise to speak on Motion 203 and wish to commend the Member for Calgary North Hill for again bringing this before the Assembly. I didn't have an opportunity to speak last time, and while I am not directly involved in the health care professions, as an ordinary citizen of Alberta I feel that the kind of involvement I have had is very important to the debate at this time. I also wish to commend my colleagues the Solicitor General and the hon. Member for Red Deer for the great job they do in speaking and conveying their opinions to our House.

In speaking to this motion, hon. members, the timing and the strategy at this point in time seem rather unfortunate. The other speakers have already referred to the possible

surplus of medical practitioners in our province, and this type of service has usually been considered in this regard. For instance, last year when the Public Health Act was introduced, one special clause had to be written into the Act to cover the area in the north of our province where there was no doctor, where the nurse practitioner had to undertake exactly the kinds of duties referred to in this motion. Because of this kind of practice — I think it's called feldsherism — where the availability of physicians is not high and other health care workers must take over, the rest of the province is now looking at this in quite a different light. But I feel that nurses and other health care professionals have an important part to play. People are rapidly becoming far more responsible for their own health habits, their own environment, and their own lifestyles and are taking personal control over the mysteries of life and death. That's far different from the usual medical establishment over the years.

We have a great abundance of evidence of this in the hospice movement, where we're looking after terminally ill people at home, natural childbirth — the midwifery movement that was described by the hon. Member for Calgary North Hill — birthing centres, nutritional clinics, and the jogging phenomenon that the Solicitor General outlined. There is the decline in cancer of the lung as it relates to smoking, the change from hard liquor to wine in our province, the rapid increase of health food stores, and fitness programs that are being put on by businesses such as Nova, where the staff is encouraged to keep fit and look after their own health.

Recently in Calgary one of the television stations was an active proponent of alerting people to the dangers of bowel cancer so they could be tested and get any early warning signals and be referred to outpatient units at the hospitals — a most successful project. This kind of awareness of the health and well-being of individuals, the positive state of wellness rather than just the prevention of disease, is important to us in our discussion today. Regular exercise, a good diet, appropriate rest, no smoking, the management of stress: all of these things are keys to personal habits and personal responsibility, instead of the traditional role of the doctor's responsibility that our population formerly looked at. This kind of big brother syndrome — the government and the doctor will look after us — is finally being replaced, I believe, by a real wish by people to look after themselves in this aspect.

Last year in our discussions in our work on the Public Health Act, this House was very responsive to suggestions, largely from public health nurses, that there was an emphasis on health promotion and education and maintenance programs. This was so important that that role had to be written into the Public Health Act. This was all for the purpose of reducing the need for hospital and physician services, just as this motion is meant to. So I believe, Mr. Speaker, that we've gradually shifted from institutional help to a self-help system.

Central to that idea, of course, is the wellness of the whole person. This is the most important part of the role that I see the nursing profession taking in the future: looking at holistic health — the body, the mind, and the emotions. So often you'll be referred to a specialist and you won't know all the factors of the particular problem you have. The physicians don't have time, and I don't think the people always understand the total dimension of their particular illness. An example of this is Norman Cousins in *Anatomy of an Illness*. He was diagnosed as fatally ill, and because

he worked hard to gain insight into his problem, he overcame it with the kind consideration of a medical practitioner who spent a lot of time with him explaining how to look after his personal life and to move from there.

Mr. Speaker, another event in our society that I think makes the kind of suggestion that nurses and other health care professionals become more involved is the entry into our lives of the computer, keeping track of people and the things they do. This would make it infinitely more possible to have several people looking after you and still maintain a holistic approach. For instance, I am aware of one Calgary Foothills constituent who had a serious illness diagnosed. She was sent to a specialist and found that the specialist had no previous records and had a short conversation with the family doctor. Because there was a significant medical file, the constituent decided that she would collect the medical file and take it to the specialist. It was very hard for the constituent to be confident in the health care system when she seemed to have to take that kind of initiative herself, that it didn't happen automatically. When I think of the implications of this motion, I see it being very important that the kind of support the patient needed be provided by the nurse who would assist the doctor in the referral.

I believe that other things happening in our province now are recognized as proving the capability of nurses to conduct themselves in this way. We've already talked about home care and its implications in our province. It's been proven by many studies that home care actually decreases the need for hospital and institutional care and makes it possible for people to stay longer in their own homes. It identifies at early stages problems that would otherwise go unnoticed and, I think, adds to the well-being of any patient.

For many years, Mr. Speaker, the VON has advocated an increased role in our society for nursing professionals. When we talk about their abilities, about 67 percent of all patient visits to a doctor can be handled without demonstrable detriment to the patient's well-being.

Because this motion is in two parts, I'm a little disappointed that it isn't two motions. While the second part of the motion, dealing with private clinics, emergency clinics, and other services, does contribute to the eventual lowering of health care costs, I believe it is a different issue. They seem to be found primarily in Calgary. There are two in our neighbourhood that are very well used. One type of facility is an emergency department, while the other is a medicentre. I think both these types of clinics reflect the mobility of our society. Many of the people who come to them don't have a doctor. These clinics aren't meant to encourage return visits.

It's interesting that these clinics have answered a need in our community that has certainly justified their existence. Mr. Speaker, one of the studies that was recently done in these clinics found that emergency clinics saw a very much younger patient population than hospital emergency clinics, and the hospitals saw a greater proportion of people over 60. In this study it was also interesting that most of the patients categorized their complaints as minor, not serious or life-threatening. Over 60 percent of the patients who went to emergency clinics felt that their complaint wasn't serious but was in need of some kind of care. When they were asked why they came to the emergency clinic for treatment, their most common response was that it was close to home, or "I couldn't get an appointment with my doctor."

Mr. Speaker, I feel that that last point is why we are here today discussing why we should be looking at alter-

natives in our province. I wish the motion ended at "be it resolved the Assembly urge the government to consider new systems for the delivery of medical services," because I think we have to look at what people really want in health care. It's difficult to determine this, because we as a government are already very involved in our home care and health care programs. Basically people want the very best medical knowledge that they can get. They want personalized service, quality service, and they want their good health. And they want all of this at a very low cost.

I very much agree with the intent of the motion, but I also feel that there are questions I need to ask. For instance, do these extra services permit increased productivity in the health care system, or is it going to be an add-on? Another question: will it be another layer or hierarchy that a patient must go through in order to have their health looked after? Thirdly, will it improve the delivery of health care for the whole person? I described a case where specialists were involved and how very difficult it is for a patient to feel the communication has been to the benefit of their case. Will this improve that situation in our increasing age of speciality?

A fourth question: who is going to do it? What is the level of training? Do we need a four-year degree, a three-year hospital in-service program, or even a two-year program? Should the public health nurses be the ones who have the primary entry into our system? Should the VON? Where are we drawing the line? The fifth concern I have is: what kind of model do we use? We have the present model, where I feel many nurses are performing the kinds of functions I envision as a result of this motion. We have the well-baby clinics. Are we targeting areas of the population such as that? Are we looking at the ongoing monitoring of patients who have had surgical care? Exactly - what kind of model are we looking at? Usually, we consider that primary care nurses would care for patients with routine or chronic health care problems and free physicians for more complicated patients. Instead, are we talking about nurses who are dealing with either young children or old people?

Mr. Speaker, those are my questions, but I think it all boils down to one basic thing: how are we going to open the Alberta health care insurance plan system so the nurse can perform as a professional in his or her own right? I have great respect and admiration for any health care services my family and I have received and that I have seen in operation throughout this province. I have absolutely no doubt in my mind that a more responsible role for the nurse practitioner is essential and needed. It has been proven that there could be a possible 10 percent reduction in costs if this were in place. However, I believe there's no substitute for the healing process and the kind of understanding of the patient, the illness, and the support that's necessary from family and friends. I don't believe this kind of encouragement can be given by a doctor in the present situation, yet I feel it's enormously important to the healing of a person who has undergone any sort of drastic illness.

Mr. Speaker, while I support the intent of the motion, I strongly urge and even challenge that a more definitive model be established and somehow a pilot project be set up so we can really design a system that does what it's supposed to do: provide quality care and definitely eliminate unessential costs in our health care system today. We have a great system. It does a lot of things. I think we need to preserve it very carefully.

In conclusion, Mr. Speaker, I hope we can use this opportunity to look at what we presently have and show what can be done. Thank you.

MR. LYSONS: Mr. Speaker, I, too, would like to speak on this motion and to congratulate the Member for Calgary North Hill for not only an eloquent speech but one that touched most of the bases. Along with other members who have spoken, I have to say that I support the idea of the motion: to consider new systems and look at the health care system in a little different way than is perhaps done now.

Being from a rural constituency, I have three hospitals directly in my constituency and two that care for constituents on the borders. So I'm fairly knowledgeable, if you like, about the types of services we have in those hospitals. They compete with one another. It's a word they use. I'm not sure I appreciated that fact when I was first told that the hospitals were competing with each other. When the province is funding the hospitals 100 percent, it's hard to imagine that they're competing. How were they competing? Although I didn't get into detail, it sure raised some questions.

Twenty-five years or so ago, when we were raising a family, one thing that was so nice was having a doctor come to check the children if they were ill. It used to annoy me, because with three children in our family we had more visits by a doctor than — I don't remember a doctor ever being at our home on the farm, and there were 11 of us. So I wondered about my wife's judgment in calling the doctor. However, many times when the doctor came he consoled my wife more than the child. [interjections] It was very interesting. When our second boy was three weeks old, she was giving him a bath one day and he somehow kicked himself off the table onto the floor. We were in Edmonton, and the doctor came to the house. He phoned me and said, "There's certainly nothing wrong with the baby, but your wife is sure upset." With this resolution, if it were possible to have nursing professionals come to the home for those kinds of emergencies, or thought to be emergencies, I think some health care could be delivered at home.

We have an elderly couple who are dear friends. She has arthritis very, very badly. She's well up in her 80s, and she's quite crippled because of the arthritis. If she moves, she breaks bones. She's broken her hips a couple of times. So her husband, who is well up in his 90s, looks after her, and it was getting a little hard for him. Now we have home visits by the local health unit. There's nothing that perks up that old fellow more than having that little blond nurse come. [interjections] I don't know how old she is. One day she remarked to them that every once in a while her husband complained about her cooking. The old fellow said, "Look, honey, anybody that's as good looking as you shouldn't even have to cook." So he's still got the spirit.

One of the more serious problems we have in the country is not with the hospitals. We have great little hospitals. They're clean; the service is great. There's no waiting. It's not like the city here at all. But we have a lot of lodges that have extra beds. A number of people are living longer, and they require a little nursing care. We can't seem to break in the idea of having a nurse either on call or resident in these lodges. If this motion were to deal with that particular situation, a number of our lodges could be turned into semi-nursing homes, if you like. A number of the people in the nursing homes require only some care. It's not as though it's heavy care; it's just some care now and again. For some of them it's strictly on the basis of their medication. Like the Member for Calgary North Hill, their memory is going a little, and they forget to take their

medicine. Without taking their medicine, they go into depression or whatever term would be used. If this motion dealt with that type of thing, we would certainly all have to be for it.

We have a situation in the country that's so much different from the city. For the most part, the population in the country is much more permanent, much more reliable, if you like, one neighbour to another. I couldn't possibly imagine the different things that go on in caring for the elderly in the city as compared to in the country, where my sister-in-law looks after her mother. She's well up in her 80s and happy as a clam. We take her out and drive her around. She can't get around as well as she used to, but she's just as happy as can be. Many, many could not do that. They seem to feel that once someone can't look after things, they must go into a nursing home. We find an awful lot of people in the country who are caring for these people, but they do require a little help once in a while. I'm sure this is the intent of the motion.

The actual cost per patient in country hospitals is considerably less than in the city, mainly because more patients are auxiliary care than active care or surgery. Naturally the cost should be a lot lower. But if we can put together some of the positive parts of this motion, consider all the ramifications that were so ably described by the other members, bearing in mind the dependency of one to another, I think we could have not only the best system but the most practical system. I think that's what we're really looking for.

A good friend of mine used to nurse in England. She looked after a village of 3,000 people. She was the midwife, nurse — everything in this little village. They called the doctor only in an emergency, and the nurse decided if there was an emergency. That was many years ago, of course. I'm not sure that that system shouldn't be in place today in modern Canada. We certainly have the resources at the present time, although with the cost escalating at 24 percent a year — I believe that's dropped this past year. If the cost keeps rising at that rate, we will have to do something very, very quickly, and perhaps this is the way to do it.

Thank you very much.

MR. GOGO: Mr. Speaker, it's been a very interesting discussion. I, too, would like to commend the Member for Calgary North Hill for bringing before the Assembly not only an awareness of what is probably a very important economic concern to Albertans and this Assembly but some alternatives. One only has to look at page 221 of the big book to find out that this year we're budgeting almost \$609 million in payments. In 1971, as I recall, members of the first administration talked about a billion dollar budget for the first time in history. This year, \$609 million in payments to practitioners under the Act. How many? Three thousand? Thirty-five hundred? Then we look at vote 3 that the hospitals minister has tabled in the House. It's \$1.3 billion. There's no question that it's like charity; at one time it was a virtue; it has become an industry. No one can say that health is not a major industry.

I've listened with great interest to the Member for Edson and the Member for Calgary McCall about alternatives. There are 50,000 children born in this province. Hospitals are traditionally associated with illness. What is more natural than having children? Yet under our system we insist that you must be into a place at \$300 to \$500 a day — \$200 in Milk River, I suppose — for the most natural function ever known.

Clearly, Mr. Speaker, the Member for Calgary North Hill has brought before this Assembly an extremely interesting motion. He hasn't mentioned if he wants nurses to have admitting privileges to hospitals. He hasn't conceded that we have a college of physicians and surgeons that is charged with the responsibility of advising government what to do. I don't know why he hasn't mentioned that. Perhaps he's naive. Perhaps, like senate reform, he thinks it's going to happen. [interjections] That's not a cheap shot. Anyone who thinks they're going to remake history as a member of this Assembly, Mr. Speaker, is going to have to serve a lot longer apprenticeship than the Member for Lethbridge West.

I'd like to come back to this. In view of the time, Mr. Speaker, I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree with the motion by the hon. Member for Lethbridge West to adjourn the debate?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. HORSMAN: Mr. Speaker, before proceeding to adjourn for the afternoon, I think it would be worth while for members of the Assembly to note that this is a day of some considerable importance to 13 members of the Assembly who were elected 10 years ago today, on March 26, 1975. It calls to mind how quickly 10 years goes by, since I was among those 13 who are still serving in the Assembly. I think it would be worth mentioning that, in addition to the fact that Medicine Hat along with almost all the rest of the south joined the rest of Alberta in sending a strong Progressive Conservative team to the Legislative Assembly, the other members who are still with us represent the constituencies of Pincher Creek-Crowsnest, Taber-Warner, Cypress, Lethbridge East, Lethbridge West, Chinook, Vermilion-Viking, Calgary McKnight, Calgary Glenmore, Lesser Slave Lake, Cardston, and Calgary Bow. Mr. Speaker, with all due modesty, I hope that during the past 10 years the 13 of us have contributed well to the deliberations of this Assembly and in representing the people of our respective constituencies.

On that pleasant note, I point out that it is proposed to reassemble at 8 o'clock this evening and resume debate on the budget presented by my colleague the Provincial Treasurer.

[The House recessed at 5:28 p.m. and resumed at 8 p.m.]

[Mr. Purdy in the Chair]

#### head: GOVERNMENT MOTIONS

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

[Adjourned debate March 25: Mr. Martin]

MR. MARTIN: Mr. Speaker, I rise to participate in the debate about the budget. We heard from the Treasurer last night how things were going in Alberta: things are rolling along very well, the recovery has started, and basically, everybody is happy in Alberta. It may not surprise Members of the Legislative Assembly if I may beg to differ slightly about some of the analysis coming from the Treasurer's speech last night.

First of all, let me say that, of course, the budget is the most important document we see coming out of a government year by year. We know the Speech from the Throne is meant to be general. This last one, of course — and I talked about it — was very general. But I believe that there were still very high expectations from the people of Alberta — if I can put it this way, ordinary Albertans — about what was needed in this budget. They were looking for leadership from this government with this budget last night.

I don't need to go through and say to people that whether we want to recognize it or not, there is a lot of misery in this province at this particular time. Mr. Speaker, as I said during the Speech from the Throne, I'm not saying that to be negative. [interjection] Backbenchers may chuckle or not, but the fact is that there are a lot of people out there who were looking for some direction from this government. I am saying that there are high expectations. We've gone through a recession, and we are still in the recession as far as most ordinary Albertans are concerned. When people look at the money this government, this province has, surely, if there's one province in Canada that could turn this recession around it is this province. That's the type of meaningful direction that was wanted from this government.

We were led to believe that this budget had something in there, especially for people who were unemployed. I remember raising questions with the Premier — wait till the budget. I remember reading speeches in the *Journal* when people were going out questioning ministers — wait till the budget. So we all patiently waited for the budget, and it came down last night. I suggest to you, Mr. Speaker, that people in Alberta, at least what I would term ordinary Albertans, were sadly disappointed last night. What did they see? In the Speech from the Throne I thought maybe the government had taken to a little bout of bragging about how everything was wonderful here and don't worry, things are on the rebound, but that, when they came down to the ultimate crunch in the budget, they really would come up with some new ideas and really see the tragedy of unemployment, the tragedy of small businesses hanging by their fingernails, the tragedy of farm income, and that they would do something significant to change it. Again, I say to you, with some sorrow, that they were sadly disappointed. Even the government recognizes and says that there's nothing in there for unemployment, that it actually could go up. They admit that in the budget. I don't need to go through what a tragedy I believe that is in terms of both the psychological sense and the economic sense, and I'll come back to that.

What I saw in the budget is sort of this attitude again, that if we rehash some of the things we have done in the past and take on a bragging mentality, maybe people will forgive us — "I'm unemployed or I'm having difficulty on the farm, or my business isn't going well, but the government tells me that everything is fine. Maybe I've got the wrong attitude. They tell me, we're the best here, we're the best there, we're the best everywhere. Everything's going along swimmingly well in this province." — that somehow perhaps we will ignore it. But I suggest to you, Mr. Speaker, that

sitting in a budget, telling us how wonderful things are in this province and, frankly, bragging is not solving the economic problems of this province. I think a quote from George Iles in *Canadian Stories* sums it all up. I think it tells the theme of this budget. He says:

As often as not it is the consciousness of a lack, not of a possession that prompts us to brag or preach. I think that sums up this budget, because it did both: it preached and bragged but didn't give us much hope.

The other day the Premier said he read my [reply to the] Speech from the Throne. I'm always glad when the Premier reads my words of wisdom. But he said he was disappointed, because we didn't offer anything in the [reply to the] Speech from the Throne. I thought that's what the whole nature of the speech was. He may reject some of the analysis, but certainly there were positive ideas there.

I knew he wouldn't be here, but in case the Premier reads this speech, let me say to the Premier through you, Mr. Speaker, that I'm deeply disappointed about this budget that was put together by this government, a budget of no hope and no vision. I really suggest that farmers, businesspeople, and especially the unemployed who were looking for some hope, didn't get it here.

This analysis that we're into a recovery stage, Mr. Speaker, bothers me immensely. I hear talk of a recovery. It started with the white paper the government put out, but it was alluded to again in the budget, that somehow we can have a recovery and a booming economy with still horrendous amounts of high unemployment. That bothers me. I have to sit back and say, who is this recovery for? What is this recovery all about? Who is the economy there for? How can you have a recovery when in this city we officially have 15.5 percent unemployed; 12.5 percent in Calgary; and 11.5 percent, above the national average. How can we even talk about a recovery with that much suffering going on in this province? Who is the recovery for?

When we talked about it in Spirit River-Fairview, farmers certainly did not think they were in a recovery stage. It was news to them. It was news to many small-business people in my riding who talked to me. It was certainly news to the unemployed, Mr. Speaker.

Let me go from there with some general comments about the budget and take a look at the forecast, the Treasurer and his fearless forecast. He's just a little bit out now and then; it's just a minor thing. As I pointed out today in question period, in the 1983-84 public accounts we find that our surpluses were 5 percent more and our expenditures were down 4.6 percent. We happened to have another \$867 million. Mind you, remember that was the time we were told we needed an income tax hike to bring in \$220 million. Just a slight miscalculation. It's only \$867 million, that's all.

We find that that same sort of shrewd analysis is continued in the budget. The 1984-85 budget projected that we would have a \$223 million deficit. We actually have a surplus of \$613 million. Mr. Speaker, I'm glad we have surpluses, but if we're going to have an analysis of the budget, I certainly hope the Treasurer's forecast for this next year is much better than it's been. It makes no sense at all. Over two years this is \$1.5 billion. Maybe in Alberta we say, "What's a billion?" But that's a lot of money.

Some of their analyses of things that they could do or could not do, like the income tax hike ... There is another \$1.5 billion that we now have that we weren't counting on — not even talking about the trust fund — that surely could be done to put people back to work and do some of the

things that we suggested. There are no excuses now for that.

I would say that I'm a little dubious about his forecast just from the experience of the previous two years. But we must remember that we have a budget, and no matter what the Treasurer says, Mr. Speaker, when we do not have an energy agreement, that is going to affect our expenditures and our revenues. So that's a guess at the best of times. The PGRT, whether it's off or not, still will affect the profits of the companies. Surely that would be an important item in a budget, but we're told by the Treasurer, and I'm glad he's here: "Don't worry about it. Trust me. Things will be all right. My forecast will be just as accurate as it's been in the past."

I think the Treasurer is well aware of the other point we make that, I would agree, makes forecasting difficult. He alluded to it today. But in talking to some of the people in the oil industry about the world oil price, Mr. Speaker, I'm not so sure about it. I hope it at least stabilizes where it is. It has for the time being, but as the Treasurer well knows and I'm sure the Minister of Energy knows, the spot market has been very soft. That makes that prediction somewhat doubtful. So if I may conclude that part of it, I hope the hon. Treasurer's forecasting ability improves, but even at the best of times I have some doubt because of those two items.

Let's go into the more important part of it. We are told by the hon. Treasurer: "We're in a recovery stage. Good times are rolling. Just trust me. The economy is back on track." I've gone through that, as I said, in the Speech from the Throne and earlier. I believe you have to take off your rose-coloured glasses and see things as they are. If you don't see things as they are, Mr. Speaker, it's very difficult to do anything about them. If you ignore the problem, probably your solutions aren't going to be very good. I think we have to look at what happened. I say to the Treasurer: the fact remains that we are in serious difficulty in this province. I say that not just to drag the Treasurer over and ask him to look at reality. The fact is that I believe there are things that could be done in this province, among almost no other province in Canada, to turn it around.

But let's look at what happened that caused this to go so quickly from the boom days of the late '70s into a recession. Certainly the National Energy Program was not a good document for Alberta. But I think it's time this government stopped blaming everything on the National Energy Program. You know, the other day we heard that it caused warts, I think, on all the MLAs. Everything is the National Energy Program. Admittedly it was a bad document for Alberta. It forced exploration out in areas where it shouldn't have been. Nobody's questioning that. But I also remind you, Mr. Speaker, that the Premier signed that and the PGRT too. So they have to take some of that blame. Let's look at it. Why was it so devastating? Of course, the other thing that happened at the same time, because we were reliant on the OPEC cartel — and we know what happened to the price of oil during that time. Obviously, that was a crucial fact to our economy too. But the point I want to make is: why was this so devastating to our economy in Alberta at this particular time? Why with all this wealth and the heritage trust fund and all the rest of the things could we not have weathered it better? I think there is one major answer, and that is the fact that we didn't have a diversified economy. That is the major fact. I think the government is aware of this.

I recall, and I have it here, a speech that Premier Lougheed made to the Calgary Chamber of Commerce back on September 6, 1974. It was a good speech. Just let me quote a paragraph here that sums it up because I think I agree with him:

Since entering public life over nine years ago, my theme has been that this province's economy is too vulnerable, it is too dependent upon the sale of depleting resources, particularly oil and natural gas, for its continued prosperity. We have perhaps another decade left ...

Well we've passed that decade, haven't we?

... to diversify our economy to become less dependent ... We must be in a position to be less affected by external factors. If we fail to do so, in my view, we will leave the next generation in Alberta a sad legacy indeed — a lack of economic muscle to sustain our quality of life over the long term.

Frankly, I despair of the short-term thinking of a few Albertans who believe we can coast on the sale of our depleting resources for our continued prosperity ...

Relying on the sale of unprocessed resources for its next generation's prosperity is folly in the extreme.

Mr. Speaker, an excellent speech. It's too bad he didn't follow his own words, because I would like to show tonight what has happened in terms of diversification, how we've become overly dependent on one industry, and why that has led us to the recession.

I'd like to compare the three prairie provinces and what's happened from 1971 to 1982. I'm taking this information from Statistics Canada, if the hon. Treasurer wants to check it. Statistics Canada may be an eastern plot, I'm not sure, but I think he would say they're relatively close anyhow. Let me take a look at the economies in the major industries in the three provinces, because I think it sums it up.

First of all, Manitoba. In 1971, Manitoba had a well-diversified economic base. Roughly 39 percent of its gross domestic product from goods-producing industries was accounted for by manufacturing, 21.2 percent by agriculture, 18.6 percent by construction, and 11.4 percent by mining. Mining includes oil, gas, potash, you name it. By 1976 the percentage of the GDP by goods-producing industries accounted for by manufacturing had risen to 41 percent. Interestingly, agriculture had risen to 22.1 percent, construction was down to 17.6 percent, and mining was way down to 8.7 percent; in fact it had been surpassed by the value of production from electric power, gas, and water utilities, which accounted for 9.7 percent of the total. By 1981, manufacturing was up to 45.5 percent, agriculture had grown again to 23 percent, construction and mining continued to drop to 12.1 percent and 7.6 percent respectively, and electric power, gas, and water utilities grew to 11 percent of the total.

Now 1982, the first year of the recession in Manitoba, saw manufacturing hit hard, and its share of the GDP by goods producing industries dropped from 45.5 percent in 1981 to 42.6 percent. However, agriculture continued to grow, rising to 24.5 percent; so did electric power, gas and water utilities, rising to 13.3 percent. Construction and mining both dropped to 11.6 percent and 7.3 percent respectively.

Mr. Speaker, if anything, Manitoba's economic base grew stronger and more diversified during the '70s and into the '80s. Both manufacturing and agricultural output grew consistently at a rate greater than goods-producing industries

as a whole, whereas comparatively mining and construction lagged. This meant Manitoba had a strong economic base not dependent on the export of raw, nonrenewable resource products and was not economically dependent on the construction megaprojects intrinsic to nonrenewable resource development.

Mr. Speaker, although the recession initially hit Manitoba's manufacturing sector very hard, it has rebounded relatively quickly, leaving Manitoba in the best current economic shape of virtually any Canadian province, consistently tied with or better than Saskatchewan in the battle for Canada's lowest unemployment rate.

That's one prairie province, Mr. Speaker. The second one is Saskatchewan. Saskatchewan ended the '70s in much the same position it enjoys today. Agricultural production was and remains the overwhelming factor in the province's GDP from goods-producing industries. In 1971 agriculture accounted for 50.7 percent. In a distant second place was mining at 18.7 percent, with construction at 12 percent and manufacturing at 11.7 percent.

Mr. Speaker, when we look at 1976, the dominant position of agriculture had grown to 53.3 percent of the value of the GDP by goods-producing industries. Mining had fallen to 14.9 percent. But a sign of things to come was that construction surged to 15 percent of the GDP by goods-producing industries. Manufacturing held steady at 11.7 percent.

Most recently, by 1981 Saskatchewan had a relatively balanced resource economy, with agriculture accounting for a much reduced 43.5 percent by goods-producing industries, mining up to 25.1 percent, construction down marginally to 14.4 percent, and manufacturing up marginally to 11.8 percent.

Now the pattern reversed slightly in 1982 with the onset of the recession that we're talking about, seeing agriculture production rise to 47.4 percent, while mining dropped slightly to 22.2 percent, and construction continued to decline to 13.1 percent. Manufacturing held roughly steady at 11.5 percent.

Mr. Speaker, while not as diversified as Manitoba's, Saskatchewan's GD base was well diversified for a resource-based economy, relying primarily on agriculture and secondarily on mining. Among other things, Saskatchewan avoided becoming overly dependent on nonrenewable resource production and the construction of megaprojects intrinsic to such production. Thus they, too, were able to exit out of the recession to a degree and with a rapidity that Albertans could only dream about.

Now let's look at our province and see the differences. I suggest to you that this is one of the major reasons we've fallen so deeply into the recession. Alberta entered the '70s with a strong potential for real diversification, and as I said, the Premier himself recognized that. Agriculture still played a substantial though greatly limited role, accounting for 14.9 percent of GDP by goods-producing industries. Manufacturing accounted for 21 percent. However, the danger signs were there, between mining at 35.5 percent and construction, which in Alberta was heavily related to the mining projects, at 22.6 percent. The economy was already leaning dangerously to overdependence on nonrenewable, raw resource production.

Mr. Speaker, by 1976 it was getting worse. Mining was at 43.2 percent and construction at 22.6 percent. Together, they accounted for 65.8 percent of the GDP by goods-producing industries. Manufacturing had slipped to 17.2 percent and agriculture to 12.5 percent. In 1981 fully 69

percent was accounted for by mining, which was 46.7 percent, and construction, which was 22.3 percent. Manufacturing and agriculture continued to slip to 16.5 percent and 10.2 percent respectively.

Mr. Speaker, when the recession hit in 1982, there was still enough impetus in the oil- and gas-related construction industries to carry mining and construction sectors on at 53.5 percent and 19.5 percent. But their combined total now is 73 percent of Alberta's goods-producing industries. Agriculture at 8.2 percent and manufacturing at 14 percent continued their slide toward insignificance. The point of this is: through overdependence, planned or otherwise, on the nonrenewable resource area, the Alberta provincial economy was set up for the long fall we have experienced through 1983-84 and on into 1985. Manitoba, with its diversified manufacturing economy, and Saskatchewan, with its diversified, resource-based economy, were both in a better position to weather the storms and the recession in far better shape than Alberta.

Well, Mr. Speaker, the conclusion one has to come to looking at these figures is that because of lack of economic diversification, in fact because of growing economic dependence on one very vulnerable sector, the Alberta economy was dealt a crippling body blow by the recession which both Saskatchewan and Manitoba seem to have weathered much better, at least comparatively. The issue is clear. Alberta's economy must be diversified, and government must bend every policy tool at its disposal to this end. Failure to achieve diversification will leave Alberta wide open to one more boom-and-bust cycle, quite possibly even more ruinous than the one whose downside effects we are still experiencing.

Mr. Speaker, we can say the national energy program was disastrous for Alberta, and we have. One of the reasons it was so disastrous was that the Premier and this government did not follow and do what he was talking about in 1974. At this stage, we are even more vulnerable. That's the point of this message. You know, the backbenchers may not like it, but that is the reality of it.

Mr. Speaker, I guess the next thing that we have to ask is what could be done. Is it too late? Is it too late for diversification? The government, with its latest answers talking about the heritage trust fund and looking at the white paper, seems to basically have given up on diversification, and talked mainly about diversifying or strengthening our oil and gas industry. I suggest that would be disastrous. But what can be done? Well, I think we have to recognize full employment. I know that the government rejects this. In the Speech from the Throne I went through the psychological and social breakdown of unemployment, and I will not again, but it's never made a lot of sense to me economically — even economically — to have a huge group of people unemployed. We can quibble with figures, and I'm sure the government will. I think they would recognize that there's economic loss with high unemployment.

A man by the name of Richard Deaton did an estimated social cost accounting of unemployment in Canada in 1982. Just to give you an idea, he estimated that in 1982, by the time you take lost production, lost earnings, what you pay out in UI benefits, the social cost of unemployment, related stress indicators, lost tax revenue to the government, what you pay out on social welfare — we know we had an increase in the budget there — lost education and training, depreciation of human capital, the total socioeconomic cost of unemployment was some \$78.3 billion. I would remind

you, Mr. Speaker, that the unemployment rate across Canada is very close to what it was in 1982. Certainly it's higher in our province and it's lower in Ontario, but across the country it's about the same. It is expensive to have a huge group of unemployed. Besides being psychologically wrong, to me it doesn't make much sense. That's why we always argue that full employment will handle the deficit, will handle a lot of things. If people are paying their taxes and are productive, you're going to cut down your costs. We've mentioned ways to do that, to work toward full employment. I won't go through them in any detail because I mentioned them at the throne speech.

One of the things we should have been doing through these times was the Economic Council. I talked about the countercyclical strategy. I mentioned that we've done it just the opposite way, we competed with the private sector when we shouldn't have. We've talked about low-interest loans to stimulate the economy. We made the point today, to increase purchasing power so people have some money to buy at the local store. We didn't need that tax hike. Why don't we roll it back? Why do we need medicare premiums? Again, that would put money into people's pockets so that they could go to the store and spend some money; if you like, the trickle-up theory. But I made those points many times, so we'll look at some other suggestions. We think they make eminently good sense.

There are other suggestions, Mr. Speaker. Looking at unemployment, some of it is long-term. We've advanced our white paper to look at new ideas. I admit some ideas in the government's white paper make some sense; not many, but some do. Just a few suggestions, I won't go into them in detail, things that could be done with some imagination in this province.

MR. COOK: Please go into detail.

MR. MARTIN: No one's ever accused the hon. Member for Edmonton Glengarry of having much imagination.

MR. COOK: I've got my pen ready.

MR. MARTIN: Good. I'll say it slowly. I'll turn around so you can watch my lips.

Mr. Speaker, I would like to mention just a few important things I think could be done that we could take a look at. First of all, one of the things we could do immediately in terms of freeing up some money out of the trust fund — and this was passed, not the last time, by the heritage trust fund committee — would be to stop putting more trust fund money into our Crown corporations, as we are in this budget. We have a good rating. If AGT and our Crown corporations need the money, they can go to the money market at a very reasonable rate. It seems rather an unimaginative way to be spending money, especially when we have our unemployment rate at this time. That money could be used in a much more valuable way in diversifying the economy.

Obvious things. We have been the energy capital. I hope that we keep that. One of the things we should be looking at, as many parts of the world are, is a move to alternate energy. We suggest that if we would take the lead, there are many potential jobs in that area. One of the things I have to say and give the government credit for, Mr. Speaker, is the good ideas in the manufacturing and processing tax credit that was brought in. I think, though, that we should make sure that this tax relief only goes to small Canadian

firms, because if this is allowed to go to the multinationals, they can invest in other parts of the world. This is at least a step in the right direction.

There are some other things I would just like to throw out. An interesting experiment in the city of Drumheller with a local development corporation partly funded by the federal government: local development corporations encourage economic self-reliance at the community level by providing seed money for low-interest loans and equity investment in job-creating developments. This is one of the things I suggested that the Premier talk about at the First Ministers' Conference. He said he mentioned the coal, but he didn't mention that. There's tremendous potential in that local initiative, with co-operation among the different levels of government.

Mr. Speaker, the other thing — it may be a bad word — that is having some significant success in terms of business is worker co-operatives. Why not organize a new program of support for worker co-ops which can be used to start new enterprises? There are some examples of this working very well, most recently in western Europe. If people want to look at an article in the *Financial Post* of March 9, 1985, titled, "Australia finds success with worker co-operatives," it talks about the success rate and things that are happening in Australia. These are areas we should be taking a look at.

From time to time we have suggested main street Alberta to promote jobs in rural areas and upgrade the small businesses. I might mention that in Manitoba \$7 million has been spent for 24 towns — a tremendous success. Again, these create jobs in rural Alberta. A community asset program: for example, Mr. Speaker, Manitoba sets aside money not only for main streets but to assist communities to undertake capital works projects, such as sewers and community halls, which have job creation in mind.

We suggest co-operation, and we talked about it in our white paper. We've talked about revenue sharing. To turn the economy around will take the co-operation of all three levels of government. Certainly this government has to start co-operating with the municipal governments, which sometimes have a better idea of the types of projects they need in their areas. It shouldn't be, "You do this and we pay you." Let's go into revenue sharing and let them create the jobs, Mr. Speaker.

We could begin to set up our own jobs fund, Mr. Speaker. We have the heritage fund, which helps figures and makes the Treasurer look good. Next year he will say \$14 billion and \$15 billion. Why not designate part of that in a jobs fund that would be set up similar to what the Manitoba government did with \$200 million, in co-operation with the private sector, the federal government, and municipal governments. There are lots of ingenious ideas out there if people wanted to use them. Go to the private sector that we talk about, but make a commitment to job creation.

Mr. Speaker, we could get on with reforestation. We do some of it; we have \$5 million allotted in this budget. We could go into that in a much more massive way. That's a good investment for the future. Talk about a heritage. That's, one of the most important ones we can leave.

Mr. Speaker, Alberta meats: we all know about the hog wars now. But as I recall, Dr. Hugh Horner, who is well known in this Legislature, said in 1981 that what the industry really needed was reinvestment in outmoded plants as well as support programs for producers. If we had followed Dr. Horner's eminently sensible advice at that time, the packing industry would not be in the straits it is now. We're

suggesting that the government should make equity investments in the many old and closed meat-packing plants around the province, and make sure that this is again one of the strong parts of our economy, because it's been depleted in this province.

School building renovations: rural members can testify to what poor shape many schools are in. There would be many new construction jobs there, Mr. Speaker. We could go on and on and on. There may be other ideas that even the Member for Edmonton Glengarry could think of. I'm sure he could.

Mr. Speaker, the point I make is that we are facing a human tragedy here, and it takes new ideas and new thoughts. We went through the budget, and all we had was a rehash of all the things that aren't working. The key thing, as I have said, is diversification. We are going to face these boom-and-bust cycles in the future if we do not use the tools, and the heritage trust fund gives us a tremendous vehicle to do it. But the key thing for that heritage trust fund should be to diversify the economy. Mr. Speaker, we face the same problems. That's precisely what I was talking about before.

MR. COOK: Give us some ideas.

MR. MARTIN: If I gave you an idea, you would have two and that would be overloading for you right now.

I would like to move from there, Mr. Speaker, and briefly talk about the budget itself and say that it's a big budget. It's not that we're not spending money. We can talk about being lean and trim, but when I see that it's at \$10 billion, that's a lot of money in a year. When this government took over, it was about \$1 billion. I think what we should do, and I have certain examples that we could talk about, is go through that budget.

I see many, many areas of waste yet in that budget. I do not think that we need an ADC and an AOC when we have our Treasury Branches. I do not think we need these bureaucracies. I do not think we need all the travel that we have in this province. I do not think we need 30 cabinet ministers, Mr. Speaker. It's not just the cabinet ministers; it's the bureaucracies that are carried there. I point out that even after we've bragged about all the cutting, we still have one of the highest civil services in the country.

I would suggest that we go back, Mr. Treasurer. There are things that you could spend more money on to stimulate the economy, but there is a lot of waste that should be gone through with a fine-toothed comb and cut back. Mr. Speaker, give me a couple of hours with the Treasurer and if he will take my advice, we'll cut millions of dollars out of this budget and put it into job creation. That's a promise, if he wants to sit down with me. Take my word for it, Mr. Speaker. [interjection]

The hon. Member for Edmonton Glengarry is getting a little restless. I think perhaps it's beyond his bedtime. Let me just conclude and say to you, Mr. Speaker, that unfortunately that old adage "Conservative times are tough times" is proving true here in Alberta. I have a feeling it will probably be true all across Canada, because we seem to have wall-to-wall Tory governments everywhere at this particular time.

Mr. Speaker, I leave these thoughts with you. With the wealth in this province there should not be the suffering that there is. With this wealth and \$14 billion in a trust fund we should not be having 11.5 percent and 15.5 percent official unemployment in this province. Mr. Speaker, that's

outrageous in a civilized society, and there's no reason for it. I say this: I don't know if it's a tired old government that's run out of ideas. Perhaps that's the problem; governments are in too long. They had some ideas in the early '70s, but I think they've run out.

Maybe it's worse. Maybe it's just a refusal to listen to people now. That's what I get from people, even their own supporters. People will say to me, "Yes, I'm PC and I've supported them all my life, but they won't listen anymore." If their government is not hearing that, then I guess they're not. But it's frustrating people, because people are looking for the leadership that I was talking about. We hear from the Treasurer and people like that, "Gee, if we just think right, just be positive, everything will be okay." It's all our fault for not thinking properly and not thinking positively. If everybody just turned on their little thinking hat and thought the right way, and everybody said, "The PCs are wonderful, and everything is going along well," all of sudden there would be no unemployment. That's what we're led to believe.

But, Mr. Speaker, that's not the reality. If this government was doing things in all their power to turn the economy around and looked like they had a heart and were caring about the people who are suffering in this province and if they were trying new ideas and things, people would accept that. But when they see a budget, as I said, that's just a rehash of things from the past and this sort of bragging attitude, that frustrates people. You know, people wanted this budget. They wanted this government to come to grips with it. They really did. They wanted new ideas. They wanted new thoughts. They didn't get them.

MR. COOK: Where are yours?

MR. MARTIN: There is no vision or hope from this budget. Sadly that's true. The Member for Edmonton Glengarry will find that out after the next election. I conclude by saying this to the government, and I said this to the Premier: keep up the miserable work, because there is going to be hope after the next provincial election, because there are going to be a lot less Tories. There are going to be some Tories from this government on the unemployment line because they haven't listened.

I conclude by saying that there are still a couple of months left in this session that this government could do some major things with. I know that in the past they've had budgets and made announcements after. Mr. Speaker, to the Government House Leader, you make some announcements here of some of the things we suggest that will put people back to work, and I for one will be up on my feet congratulating the government. But if this is it, I for one will be going around this province telling them just how tired this government is.

Thank you, Mr. Speaker.

MR. LEE: Mr. Speaker, I rise to speak in favour of the motion moved by the hon. Provincial Treasurer: Be it resolved that this Assembly approve in general the fiscal policies of the government. In so doing I wish to speak in favour of the 1985-86 budget that was so ably presented last night by the hon. Member for Edmonton Glenora.

Mr. Speaker, I'm a bit Irish so I'd like to say a few words before I begin, by way of three brief acknowledgments. Firstly, let me on behalf of the constituents of Calgary Buffalo extend sincere congratulations to Her Honour the Lieutenant Governor on her appointment as our

new representative of Her Majesty the Queen. I believe she brings some very special qualities to a very special position. At one time she is mature, yet she brings a sense of youthfulness; an experience in dealing with the grass roots, yet a sense of dignity; a practical ability to get things done, yet a sense of vision. Above all I think those who know her recognize that she brings a sense of caring that will endear her to all Albertans.

Secondly, Mr. Speaker, I would like to acknowledge the learned Speaker of this Assembly, the dean of the speakers of Canadian parliaments. I believe this Legislature is very fortunate indeed to enjoy his wisdom and perspective on matters of both controversy and complexity. It amazes me how he stands and very calmly deals with difficult situations in very difficult times. I believe his guidance is becoming known throughout the Commonwealth, if not as a tradition perhaps even as a legend.

Thirdly, Mr. Speaker, I wish to acknowledge the constituents of Calgary Buffalo. For the past two years it's been a tremendous privilege to be the representative of such a diverse constituency, and I can think of no greater privilege than to represent such an interesting and diverse group. I intend to introduce more properly the communities of my constituency during my remarks this evening.

Mr. Speaker, it's a privilege to lead off the debate with my colleagues, and it's a challenge to follow the hon. Member for Edmonton Norwood, the Leader of the Official Opposition. After listening intently to the hon. member's remarks it was almost as if I were sitting in church last Sunday. The thrust of his remarks reminded me of a conflict that exists in our very church. The pastor decided finally that it was an opportunity to express his concerns of the issue of the day. He got up and, rather than giving a sermon, he addressed the congregation: "I am the pastor of this church, and I make \$250 a week, and it's not enough." The assistant pastor detected that something was going on here, so he said, "Ah, here's an opportunity to express my concerns." And he got up said, "I am the assistant pastor of this church, and I only make \$125 a week, and that's not enough either." Well, the organist, hearing all this, decided to jump in and he got up and said, "I am the organist of this church, and I make \$500 a week, and there's no business like show business."

Mr. Speaker, the difference between the pastors and the organist was a fundamental difference of attitude. I want to approach the debate this evening and deal with the issue of attitude, because it is so key, so important. We don't have to go very far in the budget to detect a winner's attitude. We just look at the language utilized in this budget. The closing remarks: "Alberta is on the move again." We heard such phrases as "economic recovery", "stability", "confidence", "expansion", "outlook is bright", "growth", "security". But I was most attracted to the first page of the hon. Provincial Treasurer's remarks when he said, "Albertans are looking ahead with self-assurance and recharged enthusiasm."

Mr. Speaker, I believe enthusiasm is key for the future because enthusiasm is the highest and best expression of attitude. While we recognize and acknowledge that yes, there are difficult times, and yes, there are those who have gone through difficult personal challenges, I am convinced on the whole, the citizens of Alberta are enthusiastic about the future because they've had the opportunity over the past two to three years to identify their strengths and weaknesses, to correct their weaknesses and build on their strengths. I believe that's the fundamental strength of this province, that

we have the ability to learn from our experiences and go forward and build for the future.

Mr. Speaker, it's well known in the field of human resources and personnel, particularly in the field of sales, that 50 percent of the results of sales skills are directly attributed to attitude. Attitude is the key factor. Certainly in the business community and every field of human endeavour. I want to share with you the story of how attitude impacted one small business in our community. It was written by an unknown author, but I'm going to read it to you today because I really think it's appropriate for the issue of attitude as it relates to the provincial budget.

A man lived by the side of the road and sold hot dogs. He was hard of hearing so he had no radio. He had trouble with his eyes so he read no newspapers. But he sold good hot dogs. He put up a sign on the highway telling how good they were. He stood by the side of the road and cried, "Buy a hot dog, mister." And people bought. He increased his meat and bun orders. He bought a bigger stove to take care of his trade. He got his son home from college to help him. But then something happened . . . His son said, "Father haven't you heard the news? There's a big recession on. The unemployment situation is terrible. The energy situation is worse." Whereupon the father thought, "Well, my son has been to college. He reads the papers, and he listens to the radio, and he ought to know." So the father cut down on his meat and bun orders, took down his advertising signs, and no longer bothered to stand on the highway to sell hot dogs. And his hot dog sales fell almost overnight. "You're right, son," the father said to the boy, "we certainly are in the middle of a great recession."

Mr. Speaker, after three years of economic challenges, of a premeditated theft of our natural resources through the national energy policy, after the cruel, impersonal viciousness of uncontrolled interest rates, after federal deficits that accumulate more and more each day and take almost one-third of our federal taxes, a worldwide recession, and dramatic fluctuations in the prices and demands for our natural resources, I believe the time has come to put an end to negative beliefs and negative comments about the future of this province. I believe what the people of my constituency want is to be part of the answer and not part of the problem. They don't need to be told what is wrong with them; they've seen that. What they're looking for is solutions and answers and opportunities for the future.

Mr. Speaker, I'm convinced there are more opportunities today than there have ever been before. It's no coincidence that we're seeing more business formations, more new small businesses, than we've ever seen before. As a result of the last three years, a significant number of Albertans are saying: "I'm not going to depend on government for the answers in my life. I'm not going to depend on inflation and the increase in the value of land to create the results in my life. I'm not going to depend on big business for the results in my life. I'm going to depend on me for the results in my life." I believe the last three years have been a very constructive, even though painful experience, because those who have chosen to take full responsibility for the results and the outcome of their business careers and their business relationships are achieving success today like they've never achieved before.

I believe that is the good news. It's vitally important that a provincial budget, particularly at the key timing that we're in today, sustain the attitude that is developing in the people in this province. I'm convinced that what they

want is leadership that says, "Yes, there is an answer," and stops reminding them of the problems, because they're fully aware of what those problems are.

Mr. Speaker, in many respects I feel very fortunate to represent a constituency which, if we looked at it in terms of its average per capita income or the profile of its people, wouldn't necessarily be an affluent community. About half the constituents in Calgary Buffalo are apartment dwellers; about half live in single-family homes. We don't have very much new housing. But I believe more than anything what the constituents of Calgary Buffalo have is a community very rich in terms of its cultural assets, and I'd like to take a moment to describe them to you.

We have nine communities. I'm just going to present them in alphabetical order, Mr. Speaker. Bankview community is the first. I grew up in the community. I went to Connaught junior high school from Bankview, and the one thing I remember most is the hills. It was great to ride to school in the morning because you got there pretty quickly, but it took a lot more time returning, after having delivered newspapers in 30 degree below weather. When you drive up 14th Street in Calgary, you know you're in Bankview when you see the old Nimmons' household, a great historic site, built by the famous Mr. Nimmons. He was an English immigrant who established a ranch and actually owned a large part of Calgary Buffalo at one time, until it was subdivided and the community grew up.

Bankview is a good community. I recall my last few years on city council. In fact the last year, we approved a new area redevelopment for Bankview which in many respects was a commitment by the residents of the community and the city of Calgary that said, "We want this community to grow and prosper, to redevelop, and to be a stable neighbourhood." I believe that is what has happened. Mr. Speaker, we have many, many families in the Bankview community that have lived there now for four generations, and it is a testimony to the loyalty of the residents of that community.

We also have a new Alberta housing project, the Bankview house, a 55-unit, senior citizen accommodation. After having visited the senior citizens of that particular facility, my only comment is that I look forward to the opportunity of being as young and as enthusiastic as they are. And I can tell you, Mr. Speaker, they know how to party. I won't go into any further detail on that except to say they are a vital and diverse group.

The next neighbourhood is Connaught beltline. I had the opportunity to attend the Connaught school from grades 7 to 9 while I was growing up. It was a tough neighbourhood. My brother and I used to think we were very fortunate to get home without getting in a fight on any particular evening. If a cat had a tail, we knew it was from another neighbourhood. It was a tough neighbourhood. It was originally primarily single family, but it's evolved and matured, and while it has predominantly three- and four-story apartment walk-ups, it's an interesting neighbourhood. Perhaps one of the most historic sites in Connaught beltline is the Birkinshaw Manor constructed in 1903 by one of our pioneer Albertans. In conjunction with the manor itself, it's now about a 150-unit, senior citizen apartment dwelling, and there again are some very enthusiastic young people in that particular residence. We have the Sir James Loughheed residence which now, thanks to the Minister of Culture, is officially designated as an historic site.

I'm very proud of the fact, Mr. Speaker, that we have the Nellie McClung house located in Calgary Buffalo. Con-

structed in 1910 the building isn't as famous as its owner, one of the original suffragettes who was instrumental in bringing the vote to the province of Manitoba and, I might add, was a member of this Assembly in the years 1921 to 1926.

Connaught is dynamic. There are all kinds of things happening. We have the Dr. Carl Safrin school now which is a special educational facility. Many constituents in Calgary will remember it as the original Central Memorial high school. We have the Danish Canadian Club, one of the few multicultural clubs in Calgary that is developed without any financial assistance from the government, and they do a wonderful job. If you want the true experience of Denmark, visit the Mermaid Inn on a Saturday afternoon and attempt to consume some aquavit and you'll enjoy it.

We have the Calgary Ski Club, the American Women's Club. It could be an ecumenical community, Mr. Speaker; we have many churches: the Christian Science, Full Gospel, St. Stephen's Anglican, Wesley United Church, and we have St. Elizabeth's Hungarian church. I mention that church because they have a wonderful senior citizen drop-in group. When I go to visit I always feel that I have 150 grandmothers and grandfathers. They're so friendly, open, and warm, and a wonderful job is done by their co-ordinator, Anne Lazlock. We also have the Grace Manor senior citizens' group; we have two Grace Manor projects now. Thanks to the interest by our minister of hospitals the Colonel Belcher hospital has been redeveloped, and it's going to go through yet another transition in the future. A very key element for the community is the future of that hospital, and there are some very exciting things developing there as well.

Mr. Speaker, you can't talk about Calgary Buffalo without mentioning the Ranchman's club. It was discovered about four years ago that the building was about to collapse so it was condemned, and totally renovated and it is more beautiful and elegant than ever, a great place to visit. And, we have the Red Cross headquarters for Calgary. There are many other activities taking place in the downtown Connaught beltline area. We have a new group called the 17th Avenue merchants' association that are attempting to take advantage of some new provincial legislation to upgrade the streetscape along 17th Avenue.

The Alberta Alcohol and Drug Abuse Commission has a women's shelter. They do a wonderful job there. I visited there on a couple of occasions; an excellent facility. We have the new multicultural service centre which is a home for all of the smaller multicultural groups in Calgary. We have a new addition, a new private vocational institution called Form & Function which is a clothing design educational facility. It provides certificate degree diplomas in clothing design. I understand it's being done without any assistance from the government at about half the cost normally experienced if government were to offer that particular facility.

Mr. Speaker, the downtown is an exciting part of Calgary Buffalo. It's actually named the Eau Claire area, and it was named after an American who owned Eau Claire Lumber Company that was established in 1886. It was at that time the largest producer of lumber in the Northwest Territories which, of course, in those days took in all of western Canada. It's now a coffee house, but it left behind its name. Just two blocks away from the old Eau Claire lumber coffee house is the new Eau Claire apartments, perhaps an example of one of the most distinctive, finest, high quality condominium housing projects in an urban centre in all of North America. It's a little vacant right now due to tough economic

times, but there are some tremendous bargains available there, and I predict it's going to fill up fairly quickly.

Also, in downtown Calgary, we have the McDougall school, named after the Rev. John McDougall who established a Methodist mission in 1873 just outside Calgary. I had the opportunity on behalf of the government recently to open a new 650-stall parkade. What's exciting about that, Mr. Speaker, is it's underground, and on top of it we're going to build a park. Calgary Buffalo, in fact all of downtown Calgary, experiences a shortage of useful, real open space. Thanks to the investment of the provincial government in partnership with the Calgary public school board, that open space will be available to be utilized by the residents of Calgary Buffalo and all of downtown. Soon we look forward to the opening of government centre south in the former school itself.

Mr. Speaker, there are many historic sites in downtown Eau Claire. We have the Calgary court houses which have been rehabilitated and renovated; it's an historic site as well. We have the old pump house No. 2 which is now the pump house theatre and home for the Calgary Youth Drama Society. We have Mewata park and the Mewata Armoury. That armoury has been home and essential administration place for the military for, I would say, almost 75 years. What a place and what a role that armoury has played in Calgary for such a long time.

Mr. Speaker, I wanted to mention one other group that plays an important role in the downtown part of Calgary Buffalo and that is the 400 Club. Originally conceived by 400 members, it recently reconstructed and built its new headquarters just to the north of McDougall school. It's just a beautiful facility. You may not be able to tell from the exterior, but it's Caesar's palace on the inside, and it provides a tremendous service to the businesspeople in downtown Calgary.

We have Kerby Centre, perhaps the largest senior citizen drop-in facility in all of Calgary. Literally hundreds, if not thousands of seniors from all over Calgary utilize this important facility.

Mr. Speaker, you can't mention Calgary Buffalo and the downtown area without referring to our Royal Canadian Legion No. 102. A small facility, beautifully renovated, enthusiastic members, and they do a super job and make an excellent contribution to the life of the downtown. And we shouldn't forget the Calgary planetarium, which has been a landmark in Calgary for many years and plays an important role particularly for the school children of Calgary, and more recently as a theatre as well.

Mr. Speaker, we have the Richmond community association and that takes in the Knob Hill area as well. The major facility in Richmond is the Alberta children's hospital. Just last year I had the opportunity to present, on behalf of the Minister of Recreation and Parks, a cheque for a half million dollars for the addition of a swimming pool for the use of the children. I want to say that that swimming pool is being well utilized by not only the children in that hospital but the entire community. Within the Alberta children's hospital we also have the Dr. Gordon Townsend school. There is actually a school within that children's hospital; what an exciting place to see learning take place.

Richmond is a stable community, primarily single family homes. We have the Richmond elementary school, the Knob Hill elementary school, an excellent neighbourhood. Perhaps the most, if you'll pardon the expression, affluent community in Calgary Buffalo is Scarboro. Centred in Scarboro is the Sunalta school, a community school for all of Calgary. The

Scarboro community association is perhaps one of the most active in all Calgary. They recently finally concluded a five-year fight to preserve the neighbourhood by closing off many of the streets and giving the same kind of stability to the children and families of that community as many of our newer communities enjoy. We also have the Scarboro United Church, and centred there is a very active senior citizens' club.

Mr. Speaker, the smallest community in Calgary Buffalo is the Shaganappi community, and yet a tremendous diversity of activity takes place there. The Shaganappi golf course is the most active public golf course in all Canada, a well-used facility, even played by some of our rural members. I'm sure they appreciate how well utilized it is.

Mr. Speaker, a year and a half ago the Salvation Army Children's Village celebrated its 75th anniversary. Since the day it opened 76 years ago, over 6,000 children have been through the doors of that excellent facility sponsored by the Salvation Army. We have the Alex Ferguson school. We are pleased to just recently welcome the CFAC radio facility, a new addition to the Shaganappi neighbourhood. Jacques Lodge is the major senior citizen's group in Shaganappi. It's owned and operated by the Metropolitan Calgary Foundation. They just do an excellent job there. The matrons look after the residents as if they were their own family. I might add that the Shaganappi community association is alive and well and doing an excellent job in providing facilities for the children of the community.

Mr. Speaker, Spruce Cliff, a favourite community of mine — I reside in Spruce Cliff. I'll just mention that the Spruce Cliff community association has to be one of the most active community associations I've been familiar with over the years. Two individuals come to mind, Mr. Arnold Hartland and Harold Craigmile. They get recycled every two or three years as president of that neighbourhood. By golly, they do a wonderful job. Spruce Cliff is now becoming famous for the Bow Cliff senior citizen group. For a small drop-in centre that started a few years ago, their membership now numbers 500, significant indeed. By the way, if you haven't heard of the Spruce Cliff-Bow Cliff seniors kitchen band, you ought to. I understand that the kitchen band played over 120 engagements throughout the year last year, so they were on the road almost one out of every three days. They just do a wonderful job. If you're looking for some good entertainment by some young elderly people, the Spruce Cliff-Bow Cliff seniors kitchen band is it.

Mr. Speaker, the Ernest Manning senior high school, 700 students, plays a very important part in that neighbourhood. Spruce Cliff elementary school services the neighbourhood as well. Several years ago the Catholic school board gave up the old John Kinahan school and it is now the Wildflower Centre, a tremendous centre for dancing and the arts in the Calgary Buffalo constituency. In fact, it services all of Calgary.

I want to particularly acknowledge three churches in this community. We have the Free Methodist Church, which is now operated by the Koreans. If you want to see an active church, the Korean community has certainly revitalized the neighbourhood with the utilization of that building. The Greek Orthodox Church, probably one of the finest multicultural groups in all of Calgary, a beautiful church, a beautiful hall, an important centre in Calgary Buffalo. I might add the Good Shepherd church; they play an important role as well.

Mr. Speaker, last but not least, two more communities. I'll just mention that last Saturday we had the pleasure of

opening the new Alex Calhoun public library in the South Calgary community. It's a beautiful new facility servicing the neighbourhood with tremendous volunteer involvement on the part of the residents. King Edward school is very active in the neighbourhood. I spent one day there last summer visiting with the teachers. They do a super job, and I'm very proud of the work they do, particularly since there are a lot of single-parent families in that neighbourhood.

Finally, Mr. Speaker, the Sunalta community is one of the original communities in Calgary, developed by the CPR in 1907. Sunalta cottage school is now closed, but the Sacred Heart school and church are alive and well. The Calgary Tennis Club has been serving the community for decades, and they do a super job. The Sunalta community association is doing an excellent job as well. Mr. Speaker, a brief overview of the rich, dynamic communities in Calgary Buffalo.

In closing, I just want to touch upon a few remarks with respect to the budget as it relates to the constituents of Calgary Buffalo. I'd like to congratulate the minister of business on the expansion of the small business equity corporation program. It's well subscribed, and a very important program for the small-business people, not only in Calgary Buffalo but throughout the province.

The budget had an excellent review of the status of the energy sector in Alberta. Most of the major energy companies headquartered in Calgary Buffalo; good news there as well. Good news for senior citizens: programs are going to be carried on. I was particularly pleased to see the \$2.4 million worth of grants in lieu of taxes on provincially-owned senior citizen residences in Calgary. Good news for urban affairs: three-quarters of a billion dollars in grants all totalled, delivered through 12 different departments; unconditional grants up by 4.2 percent. Transportation: my first act in the Legislature, Mr. Speaker, was to introduce a resolution urging that we fund LRT. This budget just confirms the commitment made by the minister last year that the northwest LRT will be constructed through the urban transportation financial assistance program.

Finally, Mr. Speaker, I'm delighted to see that the community/recreation cultural grant program is being confirmed and committed for the next five years and expanded and increased by a third. There is now a \$20 per capita grant for the recreation and cultural groups that will take advantage of this program. I can't think of a more successful program over the past several years for our communities than the old MCR and this particular program.

Mr. Speaker, I began my remarks on the budget debate tonight by talking about attitude. I'm enthused. I sense a recharged enthusiasm on the part of the people of Calgary Buffalo, by the businesspeople, by the young and the elderly. I believe that better days are ahead, and we can see it in the activity that is taking place. It's taking place because of the attitude of Albertans, not because of the attitude of government but because of the essential strength and character of our residents and our people. I'd like to close with a little poem that summarizes the essence of what I think is the highest and best attitude of our people. It goes as follows:

If you think you are beaten  
you are,  
If you think you dare not  
you don't.  
If you like to win, but you think you can't  
It is almost certain you won't.

If you think you'll lose,  
you're lost.  
For out of the world,  
we find,  
Success begins with a fellow's will,  
It's all in the state of mind.

If you think you are outclassed,  
you are,  
You've got to think high to rise;  
You've got to be sure of yourself,  
before,  
You can ever win a prize.

Life's battles don't always go to the  
stronger or faster man,  
But sooner or later the man who wins  
Is the man [or woman] who [believes that they] can!

MR. COOK: Mr. Speaker, my contribution to the budget debate tonight will be in three parts. First of all, I'd like to do a small critique on the Leader of the Opposition's speech, which I found very disappointing; secondly, a view of what it takes to be a great society. I'd like to refer to Pericles, who was the greatest statesman of Athens in the period 500 B.C. Then I'd like to measure his standards of what it takes to be a great society — he referred to Athens at the zenith of her accomplishments — and measure those standards with what we're doing in the budget.

Mr. Speaker, the Leader of the Opposition's speech consisted of three components. He started off with a wimpy preamble which described in his view a lack of vision but didn't offer anything of his. Secondly, he criticized the government for not having diversified the economy in the period 1975 to 1982. Then he made some very modest proposals for changes, and I'd like to underline "modest". He suggested that there were no views of the future in the budget, that he couldn't sense a feeling of excitement about the future. He wasn't reading the same document I was. He didn't listen to the Provincial Treasurer very much last evening. I noted that he was out scurrying, talking to the press at the time the budget speech was being delivered so he probably wasn't here to follow it closely. The budget speech talks about free trade, growing economy, some exciting prospects in tourism, in developing small business. The Minister of Tourism and Small Business has probably had one of the key roles for the ministry in this budget, expanding tourism and expanding activities of small business, and I think he deserves a lot of credit.

Mr. Speaker, the Leader of the Opposition suggested in another part of his speech that the economy did not diversify in the 1970s. He referred to economic statistics that showed that the value of mining — read that to be petroleum — increased dramatically, and when you take that in a global sense, the percentage contributions made by agriculture and other sectors of the economy were diminished. I almost had the feeling, Mr. Speaker, that what we ought to have done was not develop our petroleum industry in the 1970s. Then we would have been able to maintain the same percentage ratio with Manitoba that he would like us to have had in agriculture, manufacturing, and some other areas of activity. Had we not had a successful and dynamic petroleum industry, the percentage of activity from the other components of the economy would have been bang on for him. I suppose that gives you a feeling of what state planning under a socialist system of government would be like. It would be worth

cutting off your nose so the rest of your body would be proportionate to what the state planners thought it ought to be.

Mr. Speaker, he suggested that Manitoba was the model, the province that had a well-balanced, diversified economy. It's interesting to note that when I was born in 1952, not so long ago, the city of Winnipeg had almost the same population Alberta had; not quite but reasonably close. But look at the population of Winnipeg today, and look at the economy of Winnipeg and Manitoba today. Edmonton is larger than Winnipeg, and Calgary is larger than Winnipeg, and together they only represent half the population of the province; incredible. But the Leader of the Opposition would have us be like Manitoba, with a small and stunted but well balanced economy. Very nice; delightful state planning; but not for me.

I enjoy freedom, and freedom, I suppose, for some is a fearful experience. There are opportunities to succeed, opportunities to fail. I have failed quite a bit, I have to admit, but that's my right. My responsibility is to learn from that and grow. I think that's really what we're doing as a province and as individuals from this experience of the last couple of years. We've had some difficulty, but the test of true character is how you can weather the storm not what it's like on a bright, sunshiny day. I think Albertans have character. Perhaps the member from Spirit River does not. I notice he's leaving. I think that Alberta and Albertans have character, and we're going to weather the storm.

Mr. Speaker, I think that deals largely with the Leader of the Opposition's second component, diversification. It's worth noting, though, that in the value of manufacturing shipments, of timber exports, and of agriculture, all those components also increased, although not quite as rapidly as the petroleum industry. But if you look at it in real dollars, then agriculture in Alberta is much healthier and much more buoyant than in Manitoba. The people in manufacturing have higher salaries, and there were a greater number of jobs created than in Manitoba. I think that largely deals with the case that the Leader of the Opposition made for Manitoba.

Manitoba's population did not grow nearly as rapidly as Alberta's. Albertans continue to enjoy high levels of income in the manufacturing area and in agriculture — albeit with some difficulties, but still we've outperformed the province he offered. Ah, welcome back, Leader of the Opposition. I'm just demolishing your speech.

MR. MARTIN: If it's you, I'm not worried.

MR. COOK: Good.

Mr. Speaker, maybe for the benefit of the Leader of the Opposition who's just returned to the Assembly, I should just touch on the point that he would have us use Manitoba as the model for diversification. It's worth noting that the population in Manitoba in the period from this government's election in 1971, has not significantly increased to today. The population has remained static and so have incomes, but the population in Alberta rose from 1.6 million in 1971 to 2.3 million today. People voted with their feet, to a place of opportunity and excitement and a place to bring their families.

Mr. Speaker, I think that the Leader of the Opposition, if he wants to use the Manitoba model, should consider those other factors as well. Really what he would have us do is cut off our noses to spite our faces because in his state social planning sense, our noses are not as well

proportioned perhaps as Manitoba's. We have a very healthy energy industry, but it isn't quite to the liking of the Leader of the Opposition and his state planning model.

I'd like to refer a little bit more to the state planning concept. James Laxer wrote a book a little while ago, and I'm sure the Leader of the Opposition is familiar with it. James Laxer just wrote a book last year, I hope you read it closely. He was the research head of the NDP in Ottawa until recently. He wrote a critique of the NDP economic strategies over the last few years. He said that the NDP has traditionally advocated increased spending and deficit financing to pick up the performance of the economy, but that it had not worked, and that his suggestion and his solution was to use a much more extreme form of state planning since this modest social democratic approach to politics was not working; it would be necessary to inch up the system so that we took a much more aggressive state planning role: the state planners allocating goods and the means of production. If James Laxer is adviser to the Alberta Leader of the Opposition, I think the good citizens ...

If the state planning advisers of the Leader of the Opposition are going to be giving him advice, then I think that's great, because I don't think this government is in any fear of losing an election. We'll simply remind the voters of the loss of freedom that they would endure, because the Leader of the Opposition would be making decisions for them on their own daily lives and the allocation of resources, and the level of taxation would have to go up dramatically.

Mr. Speaker, there was a very interesting note in a textbook on political science that I read. It said that planning is the result of fear and insecurity and that what men do when they are afraid is apt to be hastily and incorrectly conceived. Basically, the Leader of the Opposition would have us do a lot of extra planning in a time of some difficulty. Having made those decisions in this period of difficulty, probably the analysis would not be very good and the decisions made would be very poor.

Mr. Speaker, that leads me to the third part of the Leader of the Opposition's speech this evening, where he offered some very modest suggestions. There were 10 of them. Stop putting money into Crown corporations — he was dealing, I thought, with the idea that we should be creating employment opportunities for Albertans. First of all, I would like to challenge him to show me where in the budget we suggest that we're going to be putting heritage fund moneys into Crown corporations. There is nothing in this document that states that. Even if that were so, the Crown corporations' capital budgets will be creating about a billion dollars' worth of activity, and that billion dollars of Crown corporation capital spending will be creating a lot of employment. If I remember the Leader of the Opposition's first point, he doesn't think we should be doing that. He doesn't think we should be using Crown corporations to create employment in Alberta. That's very interesting.

The second point was developing alternative energy technologies. That's interesting, as it goes, I think he might look at it in two ways: one, what are the employment opportunities in that area; and two, what would that do to the value of our existing energy resources as we try to market them on the world economy?

The first point, Mr. Leader of the Opposition, that is worth noting is that energy prices have fallen dramatically and new technologies for energy production are marginal at high levels of pricing, but at this level they are not

economic at all. If you read the *Economist* magazine, there have been numerous articles on the effect of the price of energy on wind turbine generation of electricity in California, the effect on the solar industry, which is really in hard times in the United States because energy prices have fallen dramatically and made solar power not economic. Mr. Speaker, I doubt there are many jobs going to be created in the false economy that the Leader of the Opposition would have us set up, but they ain't there.

He congratulated us on the manufacturing and processing tax reduction, but said, "Don't give it to multinational companies." That's interesting. I don't know why he wants us to discriminate against multinational corporations. The economic accord assigned by Prime Minister Brian Mulroney and Ronald Reagan is going to integrate the economies of North America even more than they already are. In this week's edition of the *Economist* magazine, there are extensive and laudatory articles about the effect of integrating the two economies and making the two more efficient and more competitive in the world marketplace. He really ought to subscribe to the *Economist*; it's a great magazine.

Mr. Speaker, he made a fourth point. Remember, these are his major planks to create employment in the province of Alberta. This is his criticism of the government's budget for not having put these in, because if we had put these in, we would have created enough employment opportunities to employ everybody that wanted a job. That was the gist of his speech. Now we get into the employment-generating section of his speech, and citing a March 9 article from the *Financial Post*, he suggests that worker co-ops to create new enterprises would do the job. Well, Mr. Speaker, in Sweden they have had a great deal of problems. Worker co-ops have had to be subsidized dramatically by the central government in Sweden. They don't work. They have high levels of absenteeism, their productivity isn't high, and the quality of a lot of their products is not high either. They've had real difficulty in the Scandinavian countries with worker co-ops. It is an experiment. Yes, perhaps we could use some of them, and yes, they might generate some honest employment, but they are not the answer. An enormous amount of money would have to be spent to set up a false economy that doesn't bear any relation to reality.

He's got a couple of other ideas. He suggested that a community assets program modelled on Manitoba would be useful. Then he went on to just hint at what it was, and it's basically a beautification program of some small towns in Manitoba. Gee, I think that's nice. We're going to plant some flowers in front of town halls and paint up a few old, weathered buildings, and this is going to create a lot of economic drive in our economy to power us out and create new jobs and give Albertans a sense of pride and well-being. I don't think so. He suggested that there was a \$200 million jobs fund in Manitoba. Very neat, Leader of the Opposition, except it's a drop in the bucket. But I suppose in Manitoba, on their small salaries, given the low level of economic performance, \$200 million maybe sounds like a lot. I'm just doing a bit of quick math, and I'm not very good, I have to admit. I only graduated with my high school math. But even if you gave out \$20,000 a person, out of \$200 million you can employ about 10,000 people. Well, 10,000 people doesn't amount to a hill of beans in the larger terms. It's important for those 10,000 people, I admit, but it's not going to be the answer.

Mr. Speaker, we're getting to the end of his very short list of bright, new ideas to power Alberta's economy out of the doldrums. He offered reforestation. He congratulated

us for spending \$5 million and suggested that we ought to be doing a lot more of that. Except that we had the reforestation people before the Heritage Savings Trust Fund committee early this summer, and they tell us that we're planting two trees for every one we're cutting. The real problem the forestry service suggested was that we ought to be thinning a lot of the trees in our forests because there is uncontrolled growth; we're growing a lot of very small trees that have no market, and we're not allowing the healthy ones to grow and become merchantable timber. Maybe the answer is not reforestation, Mr. Leader of the Opposition, so much as providing a healthier environment in the forests for our healthy trees.

He suggested that the government ought to take equity positions in meat packing plants. I suppose that would be expropriation, because I don't know of any meat packaging plants banging on the doors of the government asking us to buy them out. Mr. Speaker, I think this goes back to the adage that Professor Soltau of Oxford that I referred to earlier said a few years ago: that state planning done in difficult times often is apt to come to hasty and ill-conceived conclusions. I think that's what this little litany that the Leader of the Opposition offered us is. It's a short and not very exciting list of hasty and ill-conceived notions, because he didn't have any plans of his own. He just threw something together so that he would have a few ideas to offer us this evening, but they don't amount to a hill of beans. They don't even begin to solve the problems, but this budget does.

I'd like to refer, if I could, to Pericles, who spoke in 500 B.C. to a group of people at a very tough time in their city's history. They had been fighting the Spartans and just defeated them, but at a great cost to their community, and he was trying to answer the questions: "Why did we have to endure all this pain and suffering as a city-state of Athens? Why did we go through all this turmoil rather than simply accepting Sparta's leadership?" He suggested, Mr. Speaker, that Athens had a superior way of life, something worth fighting for and preserving. He said:

... we provide plenty of means for the mind to refresh itself from business. We celebrate games and sacrifices all year round, and the elegance of our private establishments forms a daily source of pleasure and helps to banish the spleen; while the [multitude] of our city draws the produce of the world into our harbour,

so that Athenians can enjoy the fruits of other countries as familiarly a luxury as those of our own.

What he was saying, Mr. Speaker, that Athens had enjoyed a high level of culture that allowed Athenians to refresh themselves intellectually and spiritually, with visual and performing arts, with fine buildings and public establishments. He was basically arguing that they had attained a high level of culture. He goes on to talk about the economy. He said:

Our public men have, besides politics, their private affairs to attend to, and our ordinary citizens, though occupied with the pursuits of industry, are still fair judges of public matters. In our enterprises we present the singular spectacle of daring and deliberation, each carried to its highest point ...

Basically, Mr. Speaker, he's saying that the Athenians were a bold people, able to conduct bold enterprises with imagination and that the citizens were involved in the day-to-day life of the government and were good judges of whether there were good policies there or not. He went on to say

that in generosity we are singularly "acquiring our friends by conferring, not by receiving favours". He's saying that they conferred favours and by that developed friendships and a responsible society.

Mr. Speaker, I could go on at length about Pericles. But what he's basically saying, I think, is that to have a great society you need to have boldness and industry, you need to have a quality of life that refreshes the spirit, that offers artistic and cultural stimulation, and you have to have a general population that's involved in the public government and that the decisions are well made.

How does this budget measure up to Pericles? I really think it does. Mr. Speaker, first of all, we're dramatically increasing our major cultural/recreation grants for leisure, for the performing and visual arts. Already Albertans enjoy the highest level of spending in leisure and recreation.

Mr. Speaker, secondly, we are bold in this province. The white paper process outlined a series of strategies to take us into the 1990s. We fixed on international marketing, a strategy that would have us go into the Pacific Rim and the west coast of the United States and sell our products and services. That area of the world, as we all know, is the most dynamic area of the world economy. It proposed setting up, for example, an international business school; an institute retraining our population, stressing education, stressing the needs for science and technology and pointing out that tourism was an important area of economic opportunity for us. This budget addressed a lot of those opportunities. This budget triples the tourism advertising budgets. This budget increases dramatically the hospitality training opportunities for Albertans. This budget really begins to capitalize on the opportunities presented for us with the Olympic games which are coming up in a few short years.

Mr. Speaker, this budget has some exciting ideas in science and technology. This budget provides funding for a custom chip design facility. For members who are not familiar with that, the electronics industry which is developing in Alberta has a shortage of custom ... [interjection] It's a diversification of the economy, exactly. And we're not just talking; we're doing. The electronics industry has a shortage of custom chip components. With the activity in the United States, with the Defence Department and their very active economy, we're not able to get from American suppliers the custom chips we need to develop a healthy, vibrant, electronics industry. Rather than relying on an offshore source, we are diversifying our economy and becoming self-reliant in a forefront technology. I don't know of any other place in Canada that will have this capacity. We will soon have an establishment in Alberta that will allow an electrical engineer here to design a silicon chip that might provide some sort of new innovation in robotics, perhaps developing new efficiencies in the forestry industry with a movable arm to pick up some logs. This chip, custom-designed here in Alberta, will provide the instructions for that movable arm and allow the forestry industry to produce its products more efficiently. That's the potential of this kind of thing. The Bell-Northern labs at the Mill Woods research park are using custom chips in the telecommunications industry to route calls in new and innovative ways. We need this kind of facility. It's here in the budget.

The budget provides for increased expenditure in science. Our universities are getting an increase in allocations in real dollar terms. We're renovating several buildings. A building at the University of Alberta, building a new hall at the University of Calgary. Mr. Speaker, I think the most exciting part of it, though, are the opportunities for students.

We're providing very high levels of assistance so that 56,000 students can participate in higher education here in Alberta.

Mr. Speaker, it's important to know that we value education as a means to the future. Nowhere in the Leader of the Opposition's speech did he refer to education as being part of the future. This budget has a lot going for it in terms of vision for the future. It talks about new technologies. It talks about developing existing strong agriculture and energy industries. It talks about manpower training — very important — and retraining and providing new opportunities for young Albertans, for future generations. This budget has a lot of vision and future, and measures up to the standards of a guy like Pericles, who was the leader of his country at a time when it had achieved cultural and economic paramouncy over the rest of the civilized world.

Mr. Speaker, by any standard, the Leader of the Opposition has put forward a wimpy list of suggestions. The budget stands as a very healthy recipe for economic activity for the short and medium term. I am very proud to support this, and I know my constituents will as well. I ask all hon. members to support the budget when it comes to a vote in the House a little later.

MR. MUSGROVE: Mr. Speaker, I would certainly like to congratulate the Provincial Treasurer on a very good budget that was brought about last night. It's certainly going to be appreciated by my constituency, particularly the fact that there's no increase in taxes and there's additional funding in certain areas such as manpower, advanced education, and capital funding. I think we can [thank] the heritage trust fund for those benefits. As was pointed out in the budget, without the contribution from the income from the heritage trust fund, we would probably be looking at a 7 percent sales tax. Alberta has never had a sales tax of any kind.

I have half a dozen topics I want to touch on during my talk on the budget speech. One of them, and it's most important, is advanced education. Certainly, the budget has recognized the need for more funding in advanced education; in particular, there is a 23 percent increase in some areas. This will be a great advantage to those students going into postsecondary education. In today's shortage of jobs, there certainly is no better way to spend money on our youth than to get them into some kind of training so that they'll be able to go into the job market when the economy is better. Certainly, it is keeping them out of the job market now when there's pressure on whether people can get jobs or not.

In my constituency we have the Brooks campus of the Medicine Hat junior college. It is housed in what we call the old hospital building and was quite adequate for housing that when it was started. With today's increase in the number of students who have not finished high school interested in updating their education and with the number who are looking at some kind of a secondary program, we're running very short of space. We've got some land that was donated by a former mayor of the city of Medicine Hat. I believe it's somewhere in the neighbourhood of about 90 acres. Now what we need is a building program on that land to accommodate the Brooks campus. There's no mention of this program in the 1985 budget, but we're certainly hoping that it will be looked at in the near future.

On the topic of agriculture, as was stated in the budget speech, weather and commodity prices and subsidized products from other places in the world are part of the problems with the agriculture industry. As a government we've got

some programs, such as ADC, which lends money to farmers at a fairly good interest rate. We have programs, such as the farm fuel distribution allowance and the prime agricultural refund on natural gas, that are of direct benefit to the farm industry.

There is a lot of pressure for us to try to lobby to get the taxes taken off the natural gas that goes into the manufacture of fertilizer. But what we must do, Mr. Speaker, is make sure that if we take any action on that type of a tax benefit, it goes to the producer. In a recent discussion with fertilizer manufacturers, they tell us that the cost of manufacturing fertilizer isn't necessarily in line with the cost of production. Fertilizer is priced at whatever the traffic will bear. If we are to go into a fertilizer cost program to benefit agriculture, we certainly have to make sure that the benefit goes to agriculture in Alberta and not to the fertilizer manufacturer or to fertilizer that is exported out of Alberta or probably out of Canada.

Funding for irrigation has certainly helped the people in my constituency, particularly in the expanding capacity of off-river storage. Lake Newell is the major off-storage reservoir in Bow Valley. They've increased the capacity or raised the water in it considerably in the last few years, and that's certainly helped the farmers during the last few dry years. We also have the Crawling Valley storage. Construction was finished in 1984. It's not filled to capacity yet, but when it is, it will certainly alleviate a lot of concerns by farmers in that more water will be available to them.

We have the headworks rehabilitation program in irrigation under the Department of the Environment that improves the canals into these off-river storage facilities. In my constituency we have what we call the east branch diversion canal that takes water from Bassano dam to Lake Newell, and that is very much in need of expanding capacity. At the present time its capacity is about 1,200 acre-feet per day, and during the irrigation system the people that use water out of Lake Newell are using about [1,900] acre-feet per day. Particularly in 1984, Lake Newell was full to capacity when the irrigation season started and was dropped to six inches above the low capacity at the end of irrigation season. It now takes approximately 70 days to bring that back up, without anyone using water out of the system. So there are not quite enough off-season irrigation days in the year to be able to keep that reservoir full. With some expansion in that diversion canal we would certainly be in a lot better shape to supply water to farmers.

I want to say a few words about the small business equity program. It certainly was one of the most important pieces of legislation in 1984, and a lot of my constituents are very thankful that it was legislated. I appreciate that it is going to get additional funding in the 1985-86 budget, and certainly it's a free-enterprise type of situation where the decision-making for investment is put back into private industry. There has been a lot of interest in my area in the small business equity program.

I'd like to say a few words about the hospital budget, in particular capital funding for small hospitals. In my area recently Bassano had an active treatment hospital and belonged to the Brooks [auxiliary] hospital and nursing home district. They petitioned and were successful in establishing the Bassano hospital and nursing home district, that is coterminous with their active treatment hospital. The problem is they don't have any auxiliary or nursing home beds. Although the budget has an amount allotted for additions to small hospital and nursing home districts, it isn't broken down,

and I certainly hope that some of that would be allotted to building auxiliary and nursing home beds in the Bassano hospital.

I'd like to say a few things about highways. Today we have a résumé of what's happening in our constituencies in the way of highway construction for 1985-86. In my constituency there's quite a bit of activity in the twinning of Highway 1, and I certainly appreciate that. I drive Highway 1 between Brooks and Calgary on the average of twice a week. It's gotten to be to me like the seven hills to home. It's certainly a lot more relaxing when you pull off a two-lane highway onto a twinned highway. It will be a benefit to me personally, but it will certainly be a lot of benefit to all my constituents. Whether it's in the Brooks area or farther west, we all benefit when we travel back and forth on Highway 1.

There's also a portion of the highway west of Medicine Hat in my constituency that's up for twinning this summer. We have some base course paving on Highway 36 because of the amount of traffic. We have a lift on Highway 36 south of Highway 1, which now because of the amount of gravel trucked out of the Bow City area, certainly needs repaving. Of course, Highway 56 from Highway 1 north has got 21.9 kilometres slated for a base course this summer. That will mean Highway 56 is paved from Highway 1 through to Stettler and farther north.

We had some problems with secondary roads in 1985 because some of the secondary road paving programs were not finished because of the early fall. That's being finished with an additional 17 kilometres that will have secondary 550 paved from Highway 36 to Highway 1 at Bassano. We also have a piece of secondary 544 that will make a direct connection between Highway 36 and the east country, which is very essential. It will take some traffic off secondary 873 between Brooks and Duchess, which is a very high travelled road as compared with most secondaries. I believe that the department of highways has a traffic count on that of about 2,500 vehicles a day. So this will alleviate quite a lot of that traffic.

We're also thankful that the Brooks and Bassano airports were in a paving project last fall. They're not quite finished, but they're supposed to be finished in the 1985-86 budget. The Bassano airport is also getting some runway lights.

I'm quite happy with the 1985-86 program, Mr. Speaker. I'm also thankful to be a native of Alberta and to be representing a constituency like Bow Valley. I think it was a very good budget. Thank you very much.

MR. ALEXANDER: Mr. Speaker, I'm pleased to pick out what are for me a few highlights from the budget last night, and to make a comment or two on a couple of the elements raised by the Provincial Treasurer that I think will merit considerable, serious discussion in this House over the next little while.

I think it was proper for the Provincial Treasurer to observe that the debt-servicing costs in this country are observed to be a major problem in the international financial community and that he pointed quite properly with some pride to the fact that Alberta's debt-servicing cost is less than 1 percent of its budget. Much as it may be in the interests of some people to overlook factors like that, they are a key ingredient in the very vital matter of investor confidence. It is in fact investor confidence which is going to make economic growth begin, continue, and thus create the kind of employment that is on the lips of virtually everyone in the country these days.

I think it's something we can be proud of, although as I mentioned earlier this year, I've been warned by the Speaker not to spend too much time on pride because it is one of the seven deadly sins. Nonetheless, our debt service level is something about which I am pleased.

Because of the debt service level and the increasing confidence level, I think the Provincial Treasurer was also quite justified in pointing out that the budget is in fact a major force in reinforcing recovering private-sector investment. It does that by maintaining an attractive tax environment. It does that by maintaining continuing fiscal and economic policies that are known and understood. I think very often we as members tend to overlook the key factor of how important it is to our business community that the policies of this government are both known and understood and endorsed. One need not think back too many years to remember how desperate our national situation became when it became virtually impossible for a business, particularly one doing substantially large projects, to make any kind of forecast whatever in advance of spending large amounts of money, because it was just unknown what might happen down the road a piece. We had some very disastrous examples of that. I'm glad, and I hope that we've learned from that and will continue to keep that in mind. It's a crucial factor.

That will assist, as he pointed out, in the creation of pools of private-sector risk capital, which is important. Supporting things like trade initiatives, expanding high-quality capital facilities, building on strengths, and stimulating research and development, which we tried to suggest in the white paper were rather important suggestions, all of which send signals to the business community.

The Treasurer went from there to highlighting people programs. Those are also on the minds of everyone in the country, since there is a substantial level of unemployment; not only a substantial level of unemployment but something very drastic in the social sense also is happening in the country. It's a phenomenon that I hope to have an opportunity to discuss in this House before the session is out, because it seems to me to be a rather interesting correlation. Our social statistics do not deteriorate just in poor times; they have deteriorated seriously even in the best of times. Something is happening here, and we must examine it. In the meantime, while and if we're able to pursue the answer to that puzzle, that mystery, we are providing a transition which supports people through the low spots, the crises, in their lives.

There are some very crucial lines that are sort of tucked away in this budget, and I think that's one of the things I enjoyed about it most. Having said that we maintain a wide range of people programs, which is undoubtedly true, having said they are among the best, if not the best, in the country, the Provincial Treasurer, in my view, displayed his perspicacity in saying:

Albertans must be realistic in their expectations of what government should provide. Personal self-reliance and individual initiative must be encouraged.

Those are the kinds of things you don't find in just everybody's budget. I'm pleased to say we found them in ours, and that, in my view, is an insightful remark and one which members of this House would be well advised to pursue.

I think it was very useful as well to stress the streamlining of government. While it may appear, as the old adage goes, that it all depends on whose ox is getting gored, it strikes me that one of the messages we have clearly received from

our constituency on the broadest basis possible, since I've been here anyway, is that government is taking too large a share of the total economic pie. What then is the least painful way of reducing that overall share? One of the least painful ways of reducing it is to streamline, to make more efficient operations which can deliver their services without a deterioration necessarily in the service but just with simple cost efficiency. I am pleased to see that that is addressed. In my view, that also sends an important signal to the people who are listening to the story told in the budget. I think one of the most important initiatives this government has addressed in the last year or so has been the small business equity corporations program, which we learned today will be funded for another three years, not exactly on an open-ended basis but certainly with the possibility of another \$35 million worth of capital.

Why do I think that's so important? Well, when we were in the white paper forums we were, shall I say, mildly castigated by some observers about being somewhat myopic about the necessity to improve our equity delivery programs and equity delivery systems. I remember one remark made by an academic, who I respect greatly, saying to us that what we appeared to be describing was more a combination of market forces which conspired against the natural advantages in Alberta rather than market failures. My reply to him was that while I fully agree that Canada as a nation has one of the most efficient capital markets anywhere in the world, unfortunately, the efficient capital market seems to have a regional and a sectoral nature. By that I simply mean that in some regions the capital markets work more efficiently than they do in others, and in some sectors of the business community capital markets work more efficiently than they do in others, the bottom line being that the little guys, small business, the real job creators, have the most difficult and expensive time entering into this efficient capital market.

That problem was addressed bang on by the small business equity program. In other words, we solved what has been for us a serious debt/equity imbalance in the business community for some time by providing to the small investor the incentive, the initiative, the support, to deliver his funds into a business in which he sees possibilities, something which had heretofore been lacking and could not in fact be delivered by the institutional equity markets. That program has worked extremely well. The cost of providing jobs in that program in the experience so far, interestingly enough, is about half that in Ontario and in the range of 40 percent of what it takes to create a job in a federal job creation program. It's a very effective and very efficient system for delivering capital into a sector that needs it, and I'm very pleased to see that it was not only mentioned in the budget but re-funded and filled up today because I think it's going to be a major initiative and a very effective one for this government.

It also has a lot to do with helping to underscore, support the factor of business confidence, and that's very important. The business environment in Alberta could be described somewhat like the escalators in the Edmonton Centre: one of them goes up and the other one goes down; if you stand aside you can see people going in both directions. It's just a matter of perspective. While some businesses appear still to be having their difficulties, still to be rationalizing — I guess the Canadian Commercial Bank recently would be an example of that — others are strongly on the move.

Small business equity corporations seems to be seeing a greater number of opportunities, by a sizable factor, than

they were just six months ago. I see this effective deployment of capital doing great things for building up the small business environment in this part of the country and doing a lot for the very serious employment situation.

I happen to think that the other effective little tidbit in this budget had to do with the observation that our user fee system, implemented for Alberta hospitals by the minister of hospitals, has been a very effective device. The effort to improve the cost consciousness of the hospital system by requiring boards to be responsible for their own deficits and permitting them to retain surpluses is working and has worked. No hospital has yet implemented user fees. Hospitals are making ends meet by taking a hard look at their operating costs. In fact, most boards have been able to record surpluses.

The Treasurer quite properly goes on to congratulate the trustees for their efforts in maintaining hospital expenses within the very generous budgets they have been allocated. I'd go further than he did. I would suggest that this is a national model, and some day if this country regains its feet, its fiscal sanity, I suspect that the user fee, user pay, or user participation concept will spread, as it ought to. The alternative, unfortunately, being total breakdown of the system back into the tiers that it used to be in before medicare thought that it was going to start out and rescue the system in the first place.

I'm one who admires the courage of the minister, the way he stood through that whole fiasco with the former national government. He stood there and took the heat on the user fee system, on extra billing, and all that sort of thing. In my view, this budget, the first year's record of that whole thing, means that he was the clear winner, and I hope the rest of the country is watching.

It's clear that one of the most difficult problems we're facing at the moment is the matter of unemployment. The programs that were announced, the programs that have been listed in the budget — there are approximately nine of them: youth employment and training, wage subsidy, summer temporary, priority employment, Alberta training program, special needs employment, environment employment, vocational schools program, career hotline, and so on. Being funded as they are by this government, they are expected to generate approximately 44,000 direct jobs through the province.

Mr. Speaker, I think we should spend a minute on this. I mentioned just briefly in the throne speech debate, and I see that the Provincial Treasurer has mentioned it in his budget, that there is a phenomenon taking place on a global basis in which we cannot help but participate, much as we might like it to be otherwise. Under basic and advanced education, the Treasurer has observed that there is a dramatic industrial restructuring taking place. That dramatic restructuring is something that is going to build in a level of unemployment that we haven't seen through the last few decades. It really doesn't matter very much what hon. members may think about that; it's a worldwide phenomenon that has a distinct character we're going to have to face.

In the '50s and '60s Canada achieved on average very high rates of growth in output and productivity, low rates of unemployment and inflation. During the '70s, however, economic malaise set in. Massive structural changes are taking place, such as the women's movement. The entry of many more working women, working wives, into the marketplace; people coming into the marketplace at younger ages; maturing of the baby boom generation: all of these things have placed strain on our existing systems. But instead

of trying to recognize and adjust to some of the changes, it seems like Canadians, among many others, simply stuck their heads in the sand. For the longest time we refused to even acknowledge that old ways of doing things were not relevant in current domestic and international settings.

Some have said it will be impossible to achieve the low average unemployment rates of the '50s and '60s in the '80s. Canadians no longer live in a world where they'll be able to retain their jobs when workers elsewhere are willing and able to do the job equally well for less compensation. It's a shrinking world, they say. The rapid expansion of communication and transportation networks is allowing companies to separate different stages in the production and sale of goods and services. Some, for example, may build in Saudi Arabia, using modules designed in the United States, manufactured in Brazil, and assembled in South Korea. With the spread of computers quality control is easier. The traditional argument that Canadians do things better is getting lost, as our Prime Minister acknowledged a little bit earlier.

It's been noted that 60 percent of the last 30 million new jobs in the United States were created in companies with 20 or fewer employees. Nearly all the rest were in establishments not much bigger. Employment in large factories has been declining rapidly. Two-thirds of the new jobs today are in companies that didn't even exist five years ago. As a recent article in *The Economist* said,

the world has now entered a postmanagerial society where businesses can no longer be run by energetic bureaucrats but must become confederations of entrepreneurs.

It's an interesting idea, confederations of entrepreneurs replacing large bureaucratic managements. It's my view from looking at the evidence around us — perhaps even from the evidence just of the last weekend at the summit economic conference in the east — that this is evident. We have not come to grips with that change.

These are forces that seem to be beyond the control of businesses and unions, and they have shaped a troubled, new industrial relations climate. Government policies as presently constituted, the international redeployment of capital and manufacturing facilities, the traumatic effects of technology: all of these may in the end make it impossible to carry on with systems we've become accustomed to. Labour-intensive industries in the United States, such as textiles, shoes, and clothing, have been very hard hit. Koreans and Japanese really compete on very favourable terms, even within the U.S. market, which murders the domestic industry.

What kinds of conclusions must we draw from that? It's my view that the young, as the budget says, will cope. They're being educated; they're adaptable, flexible, and can move with the flow. The problem, however, is with the older generation, their parents, who are experiencing unemployment, who don't seem to have the same willingness to adapt, to move, to retrain, to re-educate, and to flow. Thus, it seems to me that while this global phenomenon has overtaken us, we have found ourselves slow to react and it seems to me have not prepared properly for the future.

We then have to stop insisting on old mechanisms, old ideas, and old ways of doing things and prepare to see some changes. I think those changes, Mr. Speaker, have been addressed in our white paper, *Industrial and Science Strategy 1985-1990*. While it has been criticized for a number of different things, the one thing it cannot be criticized for is that it did not open up the windows to discussion about

the possibilities of the kinds of changes that the world is facing and which we face as part of the world.

I think it's inappropriate to launch into an expansion of the experience of the white paper. I say that the budget sets up a mechanism, a framework, a solid economic climate on which the dialogue with the community, the proper kind of address to these problems, and the policy and position papers that will come out of the white paper process will equip the government to approach precisely the problem that seems to be facing us. I am pleased to be a part of that process. I think we are very fortunate to be in a position to be able to implement some of the things that are coming to us, some of the ideas that people have given us already, some of the things we've already put in place, like the small business equity program.

I look forward to participation in the rest of this session. I think this was an excellent budget. I think it creates a framework. It gives us the possibility of doing the things that we simply need to do. I trust all members will support it and face these necessary changes with the kind of courage, wisdom, and foresight that's going to be required of us all.

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

MR. ACTING DEPUTY SPEAKER: Having heard the motion by the hon. Member for Edmonton Sherwood Park, do you agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, tomorrow afternoon it's proposed to call second reading of the two Bills that were introduced today, Bill 16, the Small Business Equity Corporations Amendment Act, 1985, and of course Bill 31, the Appropriation (Interim Supply) Act, 1985.

If there is time, Mr. Speaker, we will go on to Bill 27, the Credit Union Amendment Act, 1985, and after that the resumption of the debate with respect to Government Motion 3.

[At 10:21 p.m., on motion, the House adjourned to Wednesday at 2:30 p.m.]